

# Performance Management Toolkit

A Step-by-Step Guide for Leaders & Managers



IMPROVING RESULTS  
IN THE PUBLIC SECTOR

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# TABLE OF CONTENTS

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FOREWORD .....	1
INTRODUCTION .....	2
HOW TO USE THE TOOLKIT .....	4
OVERVIEW .....	5
PM Life Cycle and steps.....	5
Critical Success Factors .....	7
1. CRITICAL SUCCESS FACTORS .....	9
The importance of critical success factors .....	9
CSF Definitions .....	10
2. STRATEGY PHASE .....	15
Strategy Phase at a Glance.....	15
Step-by-Step Guide .....	16
Strategy Phase Critical Success Factors.....	27
3. IMPLEMENTATION PHASE.....	34
Implementation Phase at a Glance .....	34
Step-by-step guide .....	35
Implementation Phase Critical Success Factors .....	47
4. OPERATION Phase.....	54
Operation Phase At-a-Glance.....	54
Step-by-Step Guide .....	55
Operation Phase Critical Success Factors.....	61
5. EVALUATION Phase .....	68
Evaluation Phase At-A-Glance .....	68
Step-by-Step Guide .....	69
Evaluation Phase Critical Success Factors .....	71

# FOREWORD

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The work of government is never easy. Governments take on tasks that private markets have not or have failed to adequately address, all the while negotiating the push and pull of politics and the various interests represented both inside government and in the overall body politic. Many commentators have argued that the challenges faced by government and the demands placed on it by an “Amazon- influenced” public are greater now than ever before and necessitate a new way of delivering the people’s business. Whether that is true is debatable, governments often have ridden into the wind, succeeding against the odds. Every time you drive on an interstate highway, enter a public school, play in a public park or receive a social benefit it is worth noting that there was a time when none of those services existed. The pioneers who created those public goods certainly faced an uphill climb – and delivered. The task public servants face today is in maintaining, improving and expanding upon what was built before us.

Because the work of governments is, and always has been difficult, the adoption of common sense management practices has always been necessary. What we possess today is the benefit of experience in developing such practices, as well as information technology to facilitate their implementation. This toolkit presents the understanding gleaned from those experiences as they relate to organizational performance. It was developed for public servants by public servants, and therefore reflects the insights and knowledge of people trying to improve the way public organizations operate.

Breaking it down, performance management is based around three simple questions:

- What goals are we trying to achieve;
- How can we achieve our goals; and
- Have we achieved our goals?

Are these not questions that we, as public sector leaders and managers, all want to answer? Experience suggests that public organizations are invested with a clear sense of purpose – and that public officials are exceptionally devoted to those purposes. Purpose is however not to be confused with direction. What is lacking in many public institutions is not competence or desire, but a clearly articulated and measurable sense of direction; and the means and tools by which to determine whether that direction has been followed through to fruition. This toolkit is a step-by-step guide for public servants who want to translate their purpose into results – using data and evidence as the basis for defining success and informing their decision-making.

While simple in concept, the adoption of performance management practices is by no means easy to implement. Having tried it in Massachusetts State Government through the development of its MassResults Performance Management Initiative, we know the pitfalls and difficulties organizations face in trying to agree measurable goals, develop targets or collect high-quality data on a regular basis. If it were easy this document would be unnecessary.

But, while challenging, it is our belief that performance management can be transformative for public institutions and is worth the investment in time and people it requires: a clear goal can be a great motivator for progress; a stretch target can inspire deeper collaboration; and data collected over time can illuminate a problem previously undiscovered. We have seen how the use of such common sense practices can make a real difference to public sector organizations. This toolkit was therefore developed to help others reap such seemingly modest but salutary gains.

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# INTRODUCTION

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Performance management (PM) entails the implementation of a set of practices aimed at making an organization more effective. In recent years, more and more public sector organizations have adopted its tenets. This movement is driven in part by external pressure to prove government works: to show that publicly administered services can be delivered well and that public programs can solve or prevent problems. Advances in technology and the availability of information in so many domains also drive the adoption of performance management. Where members of the public can access online information about all manner of consumer goods and private services, public institutions are expected to provide similar information that speaks to the quality or quantity of the services they provide.

Accountability to the public for results is an important component driving adoption of performance management practices, but it is not the most critical element. Instead, these practices are being increasingly utilized because they work.

When a public sector leader or manager sees how another leader or manager has achieved a target thought impossible to meet; or used data to find a problem and track the solution; or won funding from a legislative body or council because they could show their program demonstrated real results – the idea of making their own organization results-oriented and data-driven becomes very attractive.

But while the clear successes many have achieved using PM make it appealing, our experience tells us that PM attempts fail, often before they have even gotten off the ground. This is counterintuitive because in concept PM seems a rather easy set of practices to implement. How hard is it to set a measurable goal or collect good data regularly? As many of you who have tried probably can attest, it is often much harder than anticipated. The concept may be attractive, but once a leader or manager decides to establish PM in their organization a multitude of questions can arise: Where do I start? What are the steps needed? What activities are critical for success? How do I make sure the “right information” is collected, reported and used to support management decisions? How can I make sure that new behaviors are accepted and embraced?

This is where the toolkit comes in. It is designed to answer these and other questions – on how to get started and how to keep moving forward. It provides officials a comprehensive and structured step-by-step guide to executing PM, with techniques and tips to avoid common pitfalls that have stalled such initiatives, showing what to do, when to do it and how to keep implementation on track.

It describes the PM Life Cycle, setting out four phases (Strategy, Implementation, Operation, and Evaluation) and the steps and sub-steps that can be undertaken during each phase. It also describes critical factors for success that must be addressed to avoid problems and ensure success. The toolkit provides detailed direction on how to:

- Establish measurable, outcome-based goals to drive executive policies and priorities;
- Develop measures to assess performance against those goals;
- Collect and report performance data;
- Establish accountability for achieving goals;
- Use the performance data to make management decisions and find and fix problems;
- Periodically refresh goals and measures and make adjustments to the PM program over time;
- Address Critical Success Factors that help ensure the new way of doing business – using data to make decisions – is accepted and embraced by the members of the organization.

The toolkit uses a modular format so you can efficiently use all of it or just the parts you need, depending on where in the PM Life Cycle your organization finds itself. The toolkit consists of:

- **An overview chapter** that provides a description of the PM Life Cycle, an overall summary of the four phases and a checklist of all PM execution steps.
- **A chapter on Critical Success Factors** that provides a description of the activities that must be addressed to be successful, including what they are, and why they are important.
- **Chapters on each phase of the PM Life Cycle** that describe the phase and each step and sub-step required for that phase. The steps are summarized in each chapter in an “At-a-Glance” section, followed by a detailed, comprehensive step-by-step description of each step.
- **Specific activities and examples** for addressing CSFs for each phase of the PM Life Cycle.
- **Worksheets, examples, and links** to additional information.

If you need help with just one of the phases or with just one of the steps, you can jump directly to the relevant part of the toolkit. Or, you can start from the beginning and follow each phase in sequence.

## HOW TO USE THE TOOLKIT

This toolkit is designed for a wide range of users – for managers who are brand new to PM or those who operate fully implemented PM programs already, and any manager in between. No matter whether you are a unit supervisor, mid-level manager or executive leader interested in using PM to deliver better results, this toolkit is for you.

In order to meet users where they are, this toolkit was constructed to be both comprehensive and modular. It is comprehensive in that it includes guidance on everything required, in sequence, to establish and operate a PM program. It is also modular in that users need not proceed in order from start to finish, but can go directly to the phase, section, step or sub-steps of interest (e.g. if you were interested in data collection you could skip to the section on how to “Collect Data”). This allows government organizations of different sizes or levels of complexity, and with different PM objectives, to use the toolkit in ways specific to their needs.

For users new to PM who need guidance on establishing a program from beginning-to-end – whether in their unit, division or entire organization – the toolkit provides a step-by-step guide to successfully planning, implementing, operating and evaluating a comprehensive PM program. On the other hand, users with prior experience in PM may just want to use the toolkit as a checklist, to refresh their knowledge or to make sure they don’t miss steps. They can selectively seek guidance on specific topics. For example:

- Users who have recently completed a full-scale strategic plan may want to skip the strategic planning phase entirely;
- Users who have an existing strategic plan that includes goals but not measures may want to focus on the sections that describe how to select measures and set targets; or
- Users in an organization with an existing PM program who are facing difficulties in actually using data to manage, may want to focus on the steps for planning and conducting management accountability meetings.

### **“DON’T LET THE PERFECT BE THE ENEMY OF THE GOOD”**

In using the toolkit, don’t worry if you don’t get everything right the first time. Very few organizations will be able to execute a PM step or sub-step exactly as recommended.

Make your best efforts and just get started and PM will bring many benefits. You can make improvements over time to address any problems that arise.

The toolkit’s comprehensive nature provides an all-inclusive implementation manual for those who need it while its modular architecture enables users to skip, or deploy, any one phase, step or sub-step as their individual situation requires.

# OVERVIEW

This chapter provides a high-level overview of the PM Life Cycle and the steps for executing it.

## PM LIFE CYCLE AND STEPS

The steps for establishing and operating PM in the public sector follow a logical progression grouped into four sequential phases as illustrated and summarized below.

### WHAT'S INSIDE

A description of the PM Life Cycle

A summary of the four phases of the PM Life Cycle and the execution steps for each phase

A summary of PM Critical Success Factors



- **Strategy Phase:** where you set mission, vision, goals, sub-goals, actions, measures and targets.
- **Implementation Phase:** where you establish necessary PM processes and make decisions.
- **Operation Phase:** where you regularly use goals, measures and data to manage your organization.
- **Evaluation Phase:** where you periodically refresh and revise your organization's strategic plan, and assess and improve the PM program.

In addition to the phases, the toolkit articulates nine critical factors (listed above) that experience has shown organizations must address to ensure success in establishing and sustaining PM practices. These "Critical Success Factors (CSFs)" increase the ability of an organization to accept and embrace PM as a new way of doing business.



The phases, their steps and sub-steps combined with CSFs activities comprise a “PM Life Cycle”. This Life Cycle is the foundation upon which the toolkit is based. It provides a common framework and lexicon for public sector managers interested in implementing and operating PM regardless of roles, responsibilities or agency affiliation.

The phases of the PM Life Cycle, the primary steps in each phase and CSFs are summarized below.

## Strategy Phase

The Strategy Phase is where you identify your organization’s mission, vision, goals, sub-goals, actions, measures, and targets and create a strategic plan. It includes the following steps:

1. Review any existing strategy to ensure it includes all Strategy Phase components; if so, skip to the Implementation Phase; if not, follow the Strategy Phase steps.
2. Establish a planning team to serve as a working group that makes decisions on mission, vision, goals, sub-goals, actions, measures and targets.
3. Develop mission and vision statements to articulate why your organization exists and where it wants to go in the future.
4. Develop goals and sub-goals to identify the outcomes your organization wants to achieve.
5. Develop actions to describe the activities your organization needs to undertake to achieve its goals.
6. Select measures for assessing progress in achieving goals, sub-goals and actions.
7. Establish targets that define the desired level of performance the organization wants to achieve in relation to its goals, sub-goals and actions.

## Implementation Phase

The Implementation Phase is where you plan and develop how you will execute PM by developing processes and making decisions for use in the Operation Phase. It includes the following steps:

1. Assign accountability for achieving goals.
2. Establish standards and formats for dashboards and performance reports.
3. Develop data collection processes, including identifying where you can find the data and determining how you will extract it.
4. Develop data transformation processes to ensure quality and meet formatting requirements.
5. Develop data analysis approach to convert data into information upon which you can act.
6. Develop performance accountability meeting processes to ensure performance data is used find and fix problems and manage toward achieving your organization’s strategic goals and targets.
7. Develop a cascade approach to repeat the PM Life Cycle steps at each organizational level.
8. Determine project management approach to track and manage actions.

## Operation Phase

The Operation Phase is where you use goals, measures and data in the day-to-day management of your organization. It includes the following steps:

1. Collect data for performance measures.
2. Transform data to ensure quality and meet formatting requirements
3. Analyze data into information upon which you can act.
4. Report data by populating dashboard and performance reports for distribution internally for management and externally for the public and stakeholders.
5. Conduct performance accountability meetings to ensure performance data is used to find and fix problems and manage toward achieving your organization's strategic goals and targets.
6. Execute PM Cascade by repeating the Strategy, Implementation and Operation Phase steps at other levels of the organization.
7. Execute project management to track and manage actions.

## Evaluation Phase

The Evaluation Phase is where you use long-term performance data to refresh and revise your organization's strategic plan, perform diagnostic assessments and make improvements to your PM program. It includes the following steps:

1. Refresh and revise the Strategic Plan at regular intervals to ensure that it reflects the insights and conclusions derived over time from analysis and evaluation of performance data and policy and priority shifts affecting your organization.
2. Perform periodic PM Program Diagnostic Assessments to ensure the PM program is operating effectively, to identify problems impeding success of the program and make corrections and adjustments as needed.

## CRITICAL SUCCESS FACTORS

The phases and steps outlined above summarize what you need to do to establish and operate a PM program in your organization. However, in order for the PM effort to be successful, sustained over time, and achieve its desired benefits, you must undertake a number of other overarching activities. These activities address certain factors that are critical for success. Addressing these Critical Success Factors increases the ability of your organization to accept and embrace PM as a new way of doing business. Experience has shown that if these factors are not addressed, PM efforts are likely to stall, decline in effectiveness or fail to achieve their desired benefits.

The toolkit defines the nine CSFs of the PM Life Cycle as follows:

- **Leadership:** entails executives and managers being involved and committed long-term to the PM program and leading efforts to establish PM practices so it can deliver better results.
- **Resources/Staffing:** entails ensuring sufficient resources are available to execute the PM program.

- **Training:** entails ensuring organizational personnel are trained in how to execute their new PM responsibilities.
- **Communications:** entails ensuring that personnel and key stakeholders understand what is going on, what they can expect and feel they are being listened to.
- **Celebration of Success:** entails recognizing achievements and progress so that personnel feel the program is worth their efforts and those efforts are appreciated.
- **Participation:** entails actively involving a broad spectrum of personnel across your organization in all phases of the PM Life Cycle.
- **Connect to HR:** entails aligning individual goals and measures in personnel performance evaluations to the goals and measures of the organization.
- **Link to Budget:** entails ensuring budget proposals reflect what is needed to achieve organizational goals and targets, and budget deliberations include consideration of objective evidence about results.
- **Public Engagement/Transparency:** entails providing the public and stakeholders with accurate, timely and easily accessible information about their government's performance, creating the opportunity for more meaningful engagement.

# 1. CRITICAL SUCCESS FACTORS

The four phases of the PM Life Cycle guide you through the steps required to establish performance management. This chapter explains that, in addition to executing those steps, there are a number of critical factors that need to be addressed in order for your PM program to succeed. Addressing these “Critical Success Factors” (CSFs) will increase the ability of your organization to accept and embrace PM as a new way of doing business and will help ensure your PM program is successful and sustainable for the long-term. This chapter describes the toolkit’s nine CSFs in detail.

## WHAT’S INSIDE

The importance of Critical Success Factors (CSFs)

A description of the nine CSFs

An explanation of how CSFs apply to all phases of the PM life cycle

## THE IMPORTANCE OF CRITICAL SUCCESS FACTORS

The toolkit defines CSFs as factors that have a direct and acute impact on the success and sustainability of the PM program. CSFs are not focused on the specific processes of PM, but rather on addressing and mitigating the impacts that the widespread changes in operations and management - brought on by the move to PM - can have on the organization and its personnel.

These “change related” impacts may include: uncertainty and anxiety about the future; worry about lack of skills needed; lack of understanding/not knowing what is coming; feeling excluded or without a voice in change-related decisions; and other similar reactions. Additionally, people may fear the increased accountability associated with PM and worry about not achieving targets, having to explain poor results, etc.

These impacts can create resistance and barriers to change that can impede progress, reduce the PM program’s effectiveness, or make it unsustainable over time. Experience has shown, however, that certain responses can help mitigate these impacts and make success more likely.



## CULTURE MUST BE ADDRESSED

Resistance to change is often an organizational culture issue. Many CSFs involve long-term, mutually reinforcing activities that help to change an organization’s culture from a process to an outcome focus. They address the “but we’ve always done it this way” response, and provide support for a new culture that understands and embraces evidence-based decision-making.

Success Is More Likely When	Related Critical Success Factors
Leadership is involved and committed long-term	Leadership
Sufficient resources are available to execute the program	Resources/Staffing
Personnel are trained in how to execute new responsibilities	Training
Personnel understand what is going on, what they can expect and feel they are being listened to	Communication
People feel the program is worth their efforts and those efforts are appreciated	Celebration of Success
People are involved in the development of the program	Participation
Organization goals and measures are reflected in personnel performance evaluations	Connect to HR
Budget proposals reflect what is needed to achieve organizational goals and targets, and budget deliberations include consideration of objective evidence about results	Link to Budget
Performance information is easily accessed by the public so they can use it to assess and engage with their government	Public Engagement/Transparency

The section below provides a general description of each of these Critical Success Factors, an explanation of why each is important and an illustrative example.

## CSF DEFINITIONS

### Leadership

Addressing the leadership CSF entails executives and managers being involved and committed long-term to the PM program and leading efforts to establish PM practices so it can deliver better results. It includes a broad array of activities, including: demonstrating ongoing commitment to using PM practices; articulating the reason and importance of regularly using data in management decision-making; modeling desired behaviors so they are followed by others; encouraging and motivating personnel to accept, support and commit to the initiative; mitigating barriers; and addressing concerns of individuals and stakeholders so they don't impede progress.

Leadership is critical to success because employees are unlikely to support a PM program if they think their leader is not fully behind it. In addition, leadership has to be actively involved as many strategic decisions are fundamentally leadership's to make. Moreover, sometimes only the direct involvement of leadership can resolve barriers to progress and keep the initiative on track.

Examples of Leadership CSF activities include:

#### LEADERSHIP

Sometimes, only leaders can blast through barriers.

- Launch the PM program with a strong statement of support in all-hands email
- Lead development of mission, vision and top goals
- Convene and chair performance accountability meetings

## Resources/Staffing

Addressing the Resources/Staffing CSF entails ensuring sufficient resources are available to execute the program, including adequate, appropriately skilled personnel, required funding and other resources.

Adequate resources and appropriate staffing is critical to success because without dedicated resources and staff there will not be anyone to lead and manage the program and ensure its long-term sustainability. Those working on PM must have the time, budget, support and experience they need to successfully establish and use PM practices to achieve organizational goals and targets, and sustain the effort over time.

An example of a Resources/Staffing CSF activity is:

- Appoint an individual with the appropriate skills and authority to lead and oversee the PM program
- Ensure availability of personnel with technological skills needed to facilitate timely collection and analysis of data

### RESOURCES/STAFFING

PM is not a project; it's a continuous process that requires continuous support.

## Training

Addressing the Training CSF entails ensuring organizational personnel are trained in how to execute their new responsibilities across all phases of the PM Life Cycle.

Training is critical to success because it helps people understand and become comfortable with the application of PM tools and techniques. Additionally, it helps offset the resistance to change and anxiety that comes from uncertainty and not knowing what to do, helping to build long-term buy-in for the program.

Examples of Training CSF activities include:

- Develop training courses in PM processes (e.g., goal and measure setting, data collection, analysis and reporting)
- Offer certificates of excellence for those who participate in PM training

### TRAINING

Training has the power to change culture.

## Communication

Addressing the Communication CSF entails ensuring that key messages are developed and delivered to personnel and key stakeholders so they understand what is going on, what they need to do and what they can expect. It also means providing open channels of communication so they can voice their suggestions and concerns and the organization can respond to the issues raised. Communication also plays a central role in

### COMMUNICATION

You need 1,000 times more communication than you first think you do.

many of the other CSFs such as leadership, celebration of success, participation and public engagement/transparency.

Communication is critical to success because without it, rumors, false information and a lack of responsiveness can engender resistance and opposition. By providing regular information, highlighting positives of the program, and being responsive to concerns, Communication CSF activities help avoid misunderstandings, and promote acceptance and support.

Examples of Communication CSF activities include:

- Provide forums for personnel to discuss with leadership the reasons for undertaking the initiative and an opportunity to ask questions and propose suggestions
- Publicize next steps for the initiative at regular, frequent intervals

## Celebration of Success

Addressing the Celebration of Success CSF entails recognizing achievements and progress so that personnel feel the PM program is worth their efforts and those efforts are appreciated. It includes commemorating successes early and often, recognizing individual and team contributions to the effort, and disseminating best practices and lessons learned.

### CELEBRATION OF SUCCESS

Personal satisfaction is the currency of public service.

Celebration of Success is critical to success because it creates positive momentum and an opportunity for people to stop and take pride in their work. It deepens the commitment to the PM program and can serve as a means to disseminate best practices and lessons learned throughout the organization.

Examples of Celebration of Success CSF activities include:

- Celebrate achievement of major milestones (e.g., completing the strategic plan)
- Recognize employees for contributions to the PM program (e.g., achieving stretch targets, using data to identify and resolve a problem in their area; etc.)
- Hold forums across the organization for presenting on best practices and lessons learned

## Participation

Addressing the Participation CSF entails actively involving a broad spectrum of your organization's personnel in in the development and operation of PM practices and using inclusive and collaborative decision-making processes.

The Participation CSF is critical to success because people generally support what they are involved in creating. When people are not included or consulted and key decisions are handed down from above they are more likely to resist, even if the change makes sense.

Examples of Participation CSF related activities include:

- Ensure a representative footprint across all organizational levels and areas is involved in the planning team

### PARTICIPATION

People support what they create.

- Provide interactive forums for discussing key aspects of the program with organizational personnel

## Connect to HR

Addressing the Connect to HR CSF entails aligning individual goals and measures in personnel performance evaluations to the goals and measures of the organization.

Connecting to HR is critical to success because the alignment of individual objectives to organizational goals and measures increases the likelihood those goals will be achieved. In addition, because HR processes are ongoing, linking PM processes to HR ensures that evidence-based decision-making is institutionalized and successfully sustained over time as the way the organization conducts its business.

Examples of Connect to HR CSF related activities include:

- Require each employee to link one of their personal goals with an organizational goal as part of the performance planning and evaluation process
- Use organizational measures and targets, where appropriate, to assess individual performance

### CONNECT TO HR

Connecting to HR promotes achievement of goals and long-term success.

## Link to Budget

Addressing the Link to Budget CSF entails ensuring budget proposals reflect what is needed to achieve organizational goals and targets, and budget deliberations include consideration of objective evidence about results.

Linking to the budget is critical to success because it increases the chances that funds needed to achieve goals and targets are included in the budget. In addition, linking evidence about results to budget decision-making spotlights problems and successes, allowing budget decision-makers to increase support for effective and efficient programs, and address deficiencies in programs that are not achieving success in meeting organizational goals and targets. Moreover, because the budget is the central enduring process of government, linking results to the budget process can help promote, institutionalize and sustain evidence-based decision-making over time.

Examples of Link to Budget CSF related activities include:

- Have budgets show how much is planned to be spent on each goal, sub-goal or action
- Provide results data to budget officials in time for consideration in development of budget proposals
- Link your organization's performance against goals to budget categories, accounts or programs

### LINK TO BUDGET

If it's in the budget, everyone knows it's real.



## Public Engagement/Transparency

Addressing the Public Engagement/Transparency CSF entails providing the public and stakeholders with accurate, timely and easily accessible information about their government's performance creating the opportunity for more meaningful engagement. It means sharing information about what the problems are, where the responsibility lies and what is being done to fix them.

### **PUBLIC ENGAGEMENT/ TRANSPARENCY**

Greater openness generates greater trust.

Public Engagement/Transparency is critical to success. Making information about results available facilitates a better-informed populace and greater public engagement. This increased openness and transparency is critical to generating support for policy objectives, maintaining the PM program long-term, and promoting trust in government.

Examples of Public Engagement / Transparency CSF related activities include:

- Publish data trends about how your organization is performing against top goals
- Adopt "common English" standards for writing
- Use social media to publicize performance information
- Provide accessible formats suitable for those using assistive reading technologies

## 2. STRATEGY PHASE

This chapter guides you through the first phase of the Performance Management (PM) Life Cycle, the Strategy Phase. It describes and explains steps and activities you can take to:

- Establish a mission and vision for your organization;
- Define the outcomes your organization wants to achieve and how it will achieve them;
- Select measures and targets for gauging performance success; and
- Address Critical Success Factors for the Strategy Phase.

### WHAT'S INSIDE

An executive overview of the PM Strategy Phase

A step-by-step guide to creating a strategic plan

An explanation and guide for addressing Critical Success Factors in the Strategy Phase

## STRATEGY PHASE AT A GLANCE

The objective of the Strategy Phase is to develop a strategic plan for your organization that includes mission, vision, goals, sub-goals, actions, measures and targets.

The toolkit defines a Strategic Plan as a document that describes: (1) the outcomes your organization wants to achieve, (2) the actions it will take to achieve them, and (3) and how it will measure success. Performance measures and targets are essential components of the strategic plan – without them, your organization will not be able to evaluate whether or not it has achieved its desired outcomes. The Strategy Phase forms the foundation for the other phases of the PM Life Cycle as depicted in Figure 2-1.

Strategy Phase steps are summarized below; detailed explanations are provided in the “step-by-step” guide that follows. The steps are:

FIGURE 2-1 PM Life Cycle



1. **Review any existing strategy** to ensure it includes all Strategy Phase components; if so, skip to the Implementation Phase; if not, follow the Strategy Phase steps.
2. **Establish a planning team** to serve as a working group that makes decisions on mission, vision, goals, sub-goals, actions, measures and targets.
3. **Develop mission and vision statements** to articulate why your organization exists and where it wants to go in the future.
4. **Develop goals and sub-goals** to identify the outcomes your organization wants to achieve.
5. **Develop actions** to describe the activities your organization needs to undertake to achieve its goals.
6. **Select measures** for assessing progress in achieving goals, sub-goals and actions.
7. **Establish targets** that define the desired level of performance the organization wants to achieve in relation to its goals, sub-goals and actions.

## STEP-BY-STEP GUIDE

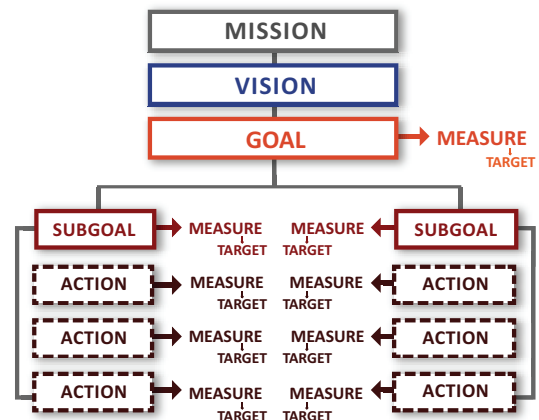
The steps described below guide you through the practical details about how to develop your organization's strategic plan.

### Step 1: Review Existing Strategy

In this step, you examine your organization's existing strategic plan, if it has one, to see if it contains the elements needed to drive performance results in your organization. A good strategic plan should begin with mission and vision, and then include goals, sub-goals, and actions with measures and targets for each. These required elements are depicted in Figures 2-2.

If your existing strategy incorporates these elements, you may skip the Strategy Phase and move directly to the Implementation Phase. If not, follow the steps below.

FIGURE 2-2 PM Strategy Elements



### Step 2: Establish a Planning Team

In this step, you create a core group of executives and managers to oversee strategy development, set overall direction at each step in the process and produce a strategic plan. The team should include a representative footprint of the top officials and managers in the organization and personnel from important functions such as budget, IT and HR. This approach helps ensure a range of expertise and diversity of viewpoints, which in turn can help enhance the quality of the plan. In addition, participation from different parts of the organization will strengthen the validity of the elements of the strategic plan (e.g., mission, vision, goals, targets, etc.) and facilitate broad-based commitment to achieving them.

Experience has shown that an effective approach to strategic plan development is to use the full planning team to set overall direction but use sub-groups (e.g. 1 to 3 people) to complete specific tasks (such as writing the mission statement or wordsmithing goals) and submit to the full team for approval.

Before beginning, you may want to ask the team to articulate what they think is going right and what gaps, if any, exist within the organization that should be addressed. This kind of assessment can provide context for developing the strategic plan.

#### ROLE OF LEADERSHIP IN STRATEGY DEVELOPMENT

Fostering dialogue and participation from a representative core group is crucial for developing broad support for the PM initiative and for achieving strategic plan goals.

Nonetheless, top officials should play a primary role in articulating the organization's vision and driving the determination of the top goals that support it.

### Step 3: Develop Mission and Vision

In this step, you develop your organization's mission and vision. Most state government organizations have existing mission and vision statements. If your organization has them, you may want to use those. However, since mission and vision form the basis for the rest of the strategic plan, (e.g., vision drives goals) you should make sure they are consistent with the guidelines for developing mission and vision statements in the section below. If they are, you can skip to Step 4 on developing goals and sub-goals. If not, follow the guidance and sub-steps below.

Mission and vision statements have some common characteristics, and as a result are often confused. Both are powerful business tools to communicate your organization's purpose and future plans to employees, customers and other stakeholders. Mission and vision help to unite the organization and steer everyone in the same direction. Therefore, an inclusive approach to their development is best. Participation from different parts of the organization will strengthen the validity of the mission statement and promote the acceptance of and commitment to the vision. The best mission and vision statements are short (e.g., three to four sentences long), crisp, specific, easy to remember and free from buzzwords and jargon.

## MISSION

The toolkit defines mission as a declaration of organizational purpose that describes who the agency is, why it exists and whom it serves. It focuses on what your organization should be doing every day.

**Mission development tips:** In developing your organization's mission, you can start by asking the following questions: Why does our organization exist? Who do we serve? What is our purpose? What is important to us? What do we stand for?

Good mission statements are aligned with the organization's culture and practices, and are within its ability to realistically execute given its resources and capabilities.

## VISION

The toolkit defines vision as an aspirational description of where the organization wants to be in the long-term, its ideal future state in relation to those it serves. Vision describes the way the world will look, in terms of outcomes, if the organization succeeds.

**Vision development tips:** In developing your organization's vision, you can start by asking: Where do we want to be 5 to 10 years down the road? What is our ideal future state in relation to those we serves? If we were to be successful, how would we know it, and what would that world look like?

Good vision statements have powerful descriptions that capture the memory, and evoke enthusiasm or passion about achieving the vision. They often focus on the organizations "winning idea", something that makes the organization different, or the key measures of its success. They are written in the future tense and focus on the future outcome envisioned that is yet to be achieved, not on the processes or methods of getting there.

## Mission and Vision Sub-Steps

This step includes the following sub-steps:

1. Convene the planning team established in Step 2 in a facilitated work session to determine mission and vision based on the considerations discussed above.

### MISSION EXAMPLES

**New York Public Library:** "To inspire lifelong learning, advance knowledge, and strengthen our communities."

**UNICEF:** "Fight for the survival and development of the world's most vulnerable children and protect their basic human rights."

**SBA:** "To help Americans start, build, and grow businesses"

**EPA:** "To protect human health and the environment"

### VISION EXAMPLES

**Nike:** To bring inspiration and innovation to every athlete in the world.

**Microsoft:** Empower people through great software anytime, anyplace, and on any device.

**Avon:** To be the company that best understands and satisfies the product, service and self-fulfillment needs of women — globally.

**Seattle Transportation:** A vibrant Seattle with connected people, places and products.

2. You also may choose to seek input from rank-and-file employees. This "bottom up" approach is more time consuming, but can result in improved understanding and commitment to the mission and vision.
3. Starting with the mission, assign each participant to write down key elements or phrases they think should be included.
4. Ask each participant to discuss in turn one of their suggested key elements or phrases – one person and one suggestion at a time – until all suggestions have been discussed.
5. Document each suggested element or phrase.
6. Through facilitated discussion, and in consideration of the guidance and examples above, determine and document which suggestions have consensus among the group.
7. Repeat this process for vision development.
8. Following the full planning group working sessions, assign one or two individuals to draft the mission and vision statements using the consensus suggestions and the considerations described above.
9. Circulate the draft statements to the planning team for review and approval, or if necessary, reconvene the planning team to finalize.
10. Communicate the new mission and vision statements throughout the organization to ensure that all employees have a shared understanding of the organization's purpose and vision for the future.

## Step 4: Develop Goals and Sub-Goals

In this step, you develop a set of goals and sub-goals that support your organization's vision, and the related performance improvements to which it aspires.

The toolkit defines a goal as an outcome an organization seeks to achieve. All the organization's goals, taken together, comprise the outcomes it needs to accomplish its vision.

### What Makes a Strong Goal?

A strong goal includes the following elements:

- **A strong goal sets out a clear outcome:** Defining a goal in terms of the outcome desired is key to developing a strong goal. The fundamental purpose of PM is to measure success against desired outcomes and use objective data to make management decisions about how best to achieve those goals.

When goals are defined in terms of outcomes and success is measured against them, executives and managers can see what is going right and what is not, where problems lie and what needs to be done to fix them. They can use this objective data to determine whether only minor changes are needed, entirely new policy should be created, or whether they should "stay the course".

### OUTCOMES VERSUS OUTPUTS

Organizations sometimes confuse outputs and outcomes when setting goals. It is easy to see how this can happen. The typical workday of many government managers focuses on the outputs of processes and completion of projects.

As a result, their first response in developing goals may be to list the products of processes or milestones of projects they are working on.

But these are outputs, not outcomes. Outputs are the intermediary products of a process or activity. Outcomes, on the other hand, are the ultimate results you seek.

Measuring success against outputs will not tell you whether you are achieving the ultimate results you desire. Only measuring goals stated as outcomes will tell you that.

- **A strong goal is measurable:** A goal should be expressed in concrete, quantifiable terms so that measurement is straightforward. If a goal is defined in vague terms or requires subjective, qualitative assessment, it may be difficult, or even impossible, to measure.
- **A strong goal is specific:** A goal should be written so that it is clear what action(s) can be taken to achieve it and that you will know success when you achieve it.
- **A strong goal can indicate a time horizon:** Providing a time component, a deadline or duration, allows success to be measured based on whether it was achieved by the identified time horizon.

In writing your organization's goals, consider also the following suggestions:

- Use short, crisp language that is easy to understand.
- Start each goal with an action-oriented, directional verb such as "increase" or "reduce".

The figure below provides examples of strong goals.

FIGURE 2-3

Examples of Strong Goals	<b>What Makes Them Strong?</b> <b>Checklist for Strong Goals</b> <ul style="list-style-type: none"> <li>✓ Outcome oriented</li> <li>✓ Measurable</li> <li>✓ Specific</li> <li>✓ Time horizon</li> <li>✓ Easy to understand</li> <li>✓ Directional verb</li> </ul>
Reduce violent crime by 20% by the end of 2018	
Reduce the time the average driver spends in congested traffic 20% by 2018	
Increase state real GDP from \$312 billion in 2012 to \$351 billion by 2015	
Reduce transportation-related greenhouse gas emissions	
Increase the number of state services available online from 50% to 70%	
Decrease the percentage of adults reporting fair or poor health from 15% to 14% by 2017	

In contrast to strong goals, weak goals often confuse intermediary outputs and actions with the ultimate outcomes being sought. Weak goals include those:

- That are vague, overly subjective, non-specific or difficult to measure
- For which success cannot be easily assessed
- Written without an action-oriented directional verb
- Expressed in terms that are difficult to understand
- Described in ways that make it difficult to determine what actions should be taken

The table below provides examples of weak goals:

### GOAL EXAMPLES

Examples of Weak Goals	What Makes Them Weak?
Increase the amount of people arrested for violent crimes	An output, not the ultimate outcome being sought (e.g., crime reduction)
Log every service call in new IT system	An action, not an outcome being sought
Increase the amount of people using public transit	A good output or sub-goal, but not the ultimate outcome being sought (e.g., reduced transportation-related emissions or traffic congestion)
Support businesses to grow in the state and each region	Not specific; unclear as to what actions should be taken; not measurable
Make online services more available to state residents	Not specific; unclear what is meant by “more available” or what actions would be taken to deliver goal
Create a new public health clinic in each county	An action, not the ultimate outcome being sought

The toolkit defines sub-goals as supporting outcomes related to achieving a specific goal. When developing sub-goals, start by asking “what are all the supporting outcomes needed to accomplish this goal?” The considerations for how to develop a strong goal also apply to developing sub-goals. The table below depicts the goal/sub-goal relationship.

### GOAL/SUB-GOAL RELATIONSHIP

Goals	Sub-Goals
Reduce youth related violent crime by 20% by the end of 2018	<ul style="list-style-type: none"> <li>• Double the amount of at-risk youth receiving support services</li> <li>• Increase the percentage of youth in education and employment</li> <li>• Reduce recidivism rates for youth leaving detention facilities</li> </ul>
Reduce the time the average driver spends in congested traffic by 20% by 2018	<ul style="list-style-type: none"> <li>• Increase the share of workers commuting to work without a car</li> <li>• Increase the percentage of people biking to work</li> </ul>

### Goal and Sub-Goal Sub-Steps

This step includes the following sub-steps:

1. Reconvene planning team established in Step 2 in a series of facilitated sessions to determine the organization’s goals and sub-goals based on the considerations discussed above.

### GOALS VERSUS ACTIONS

Make sure you don’t include actions in your lists of goals and sub-goals. Actions are management’s detailed game plan - the specific projects, initiatives, programs or activities the organization will undertake to achieve its goals and sub-goals. Actions are not the outcomes the organization seeks to achieve, but rather the steps it will take to get there.

2. Review existing mission and vision statements and any examples of previous goal statements.
3. Discuss the importance of crafting outcome-focused, measurable goals and other key considerations described above.
4. Ask each participant to develop their list of high-level goals by answering the question: “What are all the outcomes we need to achieve to bring our vision to reality?”
5. Have each participant in turn state one goal at a time and discuss it with the group.
6. Document the key elements or phrases for each goal discussed.
7. Determine which goals have consensus among the group.
8. Assign one or two individuals to draft the wording of the high-level goals after the meeting.
9. Circulate the draft high-level goals to the planning team for review and approval.
10. Reconvene the planning team to finalize the high-level goals and, if desired, repeat sub-steps 5 through 9 to develop draft sub-goals for each.
11. Communicate the goals and sub-goals throughout the organization.

## Step 5: Develop Actions

In this step, you develop a set of actions that describe “how” you will achieve your organization’s goals and sub-goals.

The toolkit defines “actions” as management’s detailed game plan—the specific projects, initiatives, programs or activities your organization will undertake to achieve its goals and sub-goals.

Identify actions by answering the question, for each goal or sub-goal, as appropriate, “What are all the things I need to do to achieve this goal or sub-goal?”

For example, the goal, “Reduce Traffic Congestion 20% by 2018,” is achieved by achieving two sub-goals: “Increase the Percentage of People Biking to Work”; and, “Increase the Percentage of Workers Commuting to Work Without a Car”. Each sub-goal in turn can be achieved by executing the actions related to it. The two actions that accomplish the “Biking to Work” sub-goal are:

- Build more bike accessible infrastructure into transit facilities
- Extend free bike share program

The actions that accomplish the “Commuting without a car” sub-goal are:

- Extend rail service to additional communities
- Create additional high-occupancy vehicle lanes on highways

The figure below depicts the relationship among a goal, its sub-goals and actions.

### ACTIONS FOR GOALS

Generally, actions relate to sub-goals, defining all the specific activities, projects or outputs needed to achieve each sub-goal. However, in some cases a goal may not have sub-goals. In that case the actions relate to the goal.



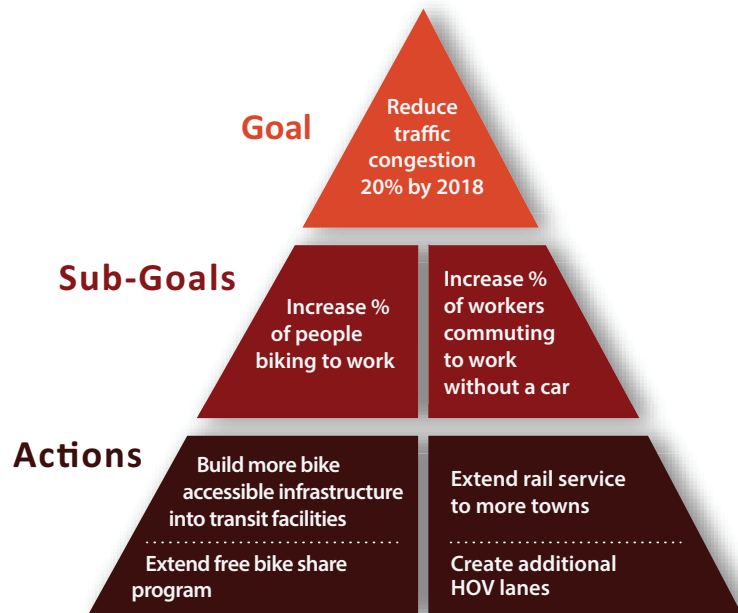
## Actions Sub-Steps

This step includes the following sub-steps:

1. Reconvene planning team established in Step 2 in a series of facilitated sessions to determine necessary actions based on the considerations discussed above.
2. Ask each participant to write down a list, for each goal or sub-goal as appropriate, all the actions that will need to be taken to achieve your organization's goals or sub-goals.
3. Have each participant in turn state one action at a time and discuss it with the group.
4. Document the actions discussed as they relate to each goal or sub-goal.
5. Through facilitated discussion, determine and document which actions have consensus among the group.
6. Assign one or two individuals to draft, after the meeting, the specific wording of the list of actions for each sub-goal (or for each goal if there are no sub-goals).
7. Circulate the draft actions to the planning team for review and approval, or if necessary, reconvene the planning team to finalize the list of actions.
8. Communicate the list of actions, as appropriate, throughout the organization.

FIGURE 2-4

Goal, Sub-Goals and Actions



## Step 6: Select Performance Measures

In this step, you select performance measures for goals, sub-goals and actions as illustrated in Figure 2.4.

The toolkit defines performance measures as quantifiable indicators, usually numeric, that show whether and to what extent you are achieving your goals, sub-goals and actions. Measures are expressions of the amount, cost or result of how well programs/services are provided. They help evaluate whether the goal has been achieved.

Measures are typically stated in numeric terms such as:

- The number of . . .
- The percent of . . .
- The amount of . . .

Measures provide information about the level of success the organization is having in accomplishing actions, and achieving sub-goals and goals. They show what is working and what is not and provide a means to check the assumptions underlying your organization's strategic plan. For example, if measures show that all actions and sub-goals relating to a specific goal are being achieved, then it follows that that goal should also be achieved. If not, then you know something is missing, and you can begin an analysis to find out what has been overlooked.

In this way, data from the measures indicate to leaders and managers whether they should “stay the course”, make minor corrections or completely change their strategy for achieving a goal. Measures transform a strategic plan from a static document to an effective, ongoing tool for improving performance over time.

**FIGURE 2-5** Measuring Success



## Types of Performance Measures

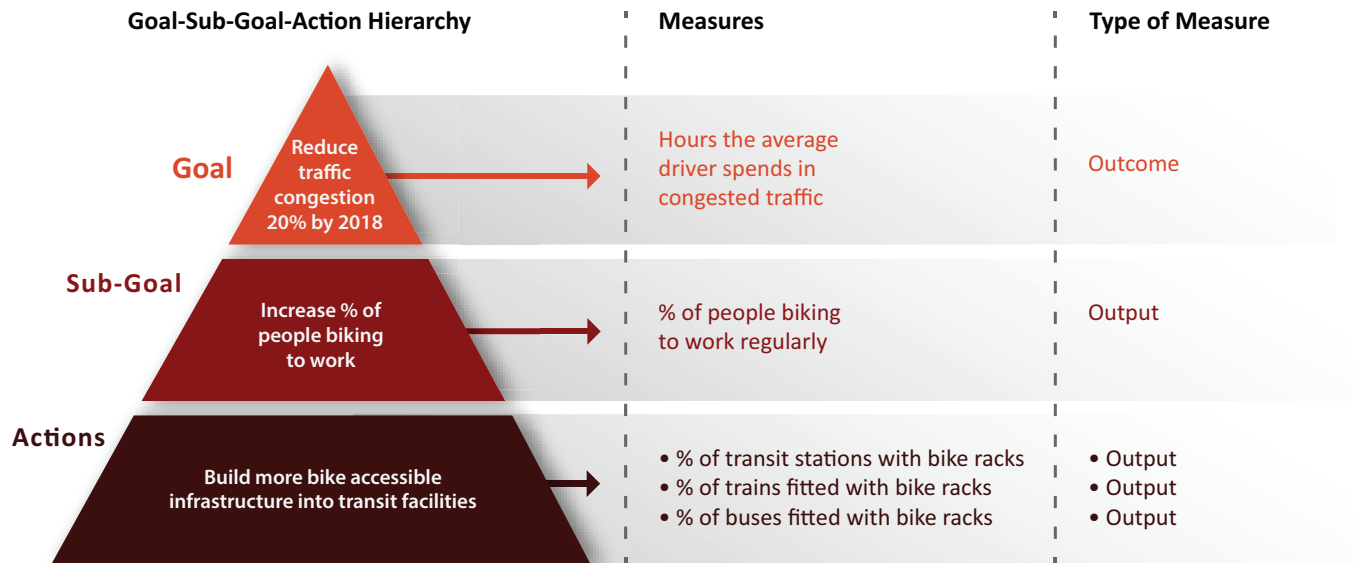
Depending on what you are quantifying, performance measures can be described in terms of input/workload, outputs or outcomes as shown in the following table.

### TYPES OF PERFORMANCE MEASURES

Type	Description	Example
Input/Workload	<ul style="list-style-type: none"> <li>Tracks program inputs (i.e., staff time, budgetary resources)</li> <li>Tracks the number of requests for a product or service or the amount of resources needed</li> <li>Could be used to measure cost per outcome</li> </ul>	<ul style="list-style-type: none"> <li>Amount of new revenues received</li> <li>Number of help desk calls received</li> <li>Cost per person of health insurance application processing</li> </ul>
Output	<ul style="list-style-type: none"> <li>The number of people served, services provided or units produced</li> </ul>	<ul style="list-style-type: none"> <li>Number of inspections conducted</li> <li>Number of license applications processed</li> </ul>
Outcome	<ul style="list-style-type: none"> <li>Measures results against the target of a goal</li> <li>Tracks the benefits received by stakeholders as the result of an organizations operations</li> </ul>	<ul style="list-style-type: none"> <li>Recidivism rates</li> <li>Percent of residents with health insurance</li> <li>Customer satisfaction ratings</li> </ul>

The graphic below provides a simplified example of the goal, sub-goal, and action relationship and the type of performance measures used at each level.

FIGURE 2-6 Types of Measures



## What Makes a Good Measure?

When developing a good performance measure, there are many things to consider and specific questions to ask:

- Does the measure reflect the results being sought?** Measures should help evaluate whether or not success is being achieved. Using the same words and flipping the sentence structure is an easy way to ensure direct connection of a measure to the respective goal, sub-goal or action. For example, if the goal is “Create new jobs”, the most direct measure is “Number of new jobs created”. Simply reorder the wording of the goal, sub-goal or action to craft the measure.
- Is the measure accepted as a valid measure; does it allow benchmarking?** Consider if there are existing measures common to organizations like yours or measures that are generally accepted in the field. By using generally accepted measures, you have the added benefit of being able to compare your organization with others (e.g., other states, national standards).
- Can you obtain data at a reasonable cost?** With many possible measures and data sources to deal with, the cost of obtaining data can be a significant factor in measure selection decisions. Estimate the costs of getting the data out of the source system and into usable form. Consider that the data may be in the wrong format, or have errors. This may increase costs, especially if you have to repeat solutions or workarounds every reporting cycle.
- Is the data readily available and usable without significant modification?** Cost is one concern; the other is time. For PM to work effectively, you have to regularly access and review the data. Consider the time it will take to obtain the data and get it into usable form for each reporting cycle.

### ANNUAL VERSUS MORE FREQUENT MEASURES

Some measures for goals may only be available on an annual basis. In practice, you will likely track actions and sub-goals on a more frequent basis, collecting performance data on them throughout the year before the annual goals measures become available.

- **Does the measure provide data at an appropriate frequency for decision-making?** How often the data is available), the date it is available, and the timeliness of data are critical. If the data does not move frequently enough, is not available when needed for decisions or is continually out of date, it will not be useful.
- **Does the measure provide reliable and good quality data over time?** Test proposed measures against historical data to identify reliability or quality issues. Make sure the data varies over time; if it tends to always stay the same, it may not provide any new information you do not already know. If the opposite problem exists, and a measure fluctuates too wildly, it may be hard to trust and use for decision-making.
- **Is a precise description/definition provided for every measure?** Make sure you describe each measure explaining what specifically the measure is tracking. A description/definition brings context to the measure and explains calculations, terms, nuances and any important limits to what is being measured. It is useful to write descriptions in simple, non-technical terms that the public can understand. To create consistency among measure descriptions, it is useful to begin with the phrase “This measure tracks”.

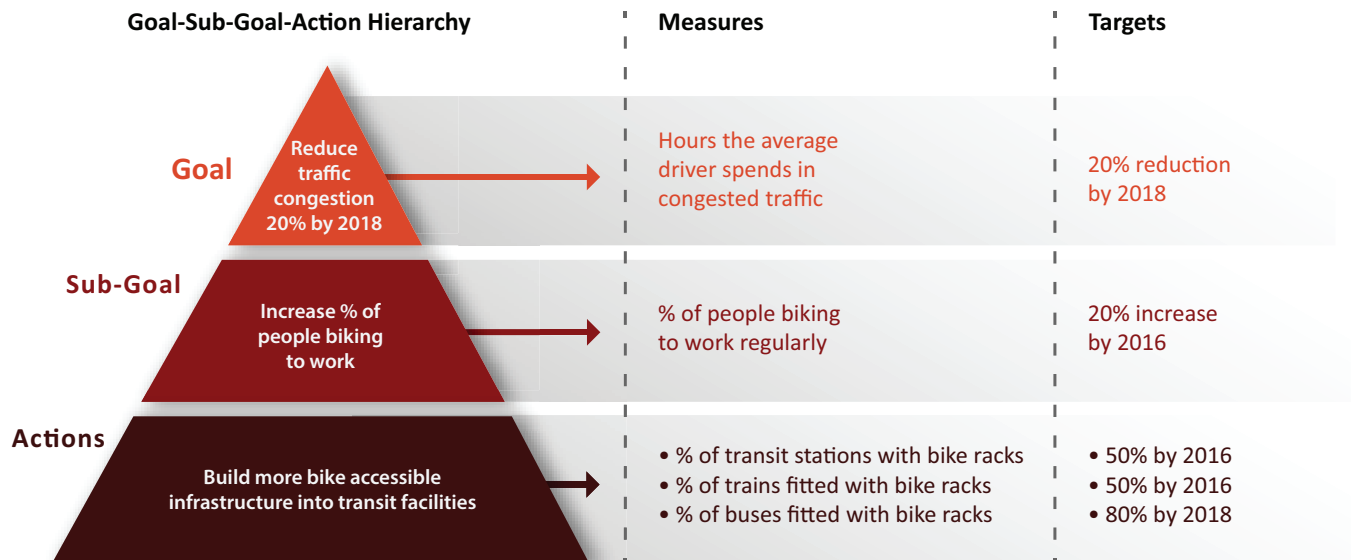
## Measures Sub-Steps

This step includes the following sub-steps:

1. Review measures and data your organization currently tracks and determine whether anything existing can be used to assess your goals, sub-goals or actions.
2. Brainstorm additional measure ideas by conducting a search online to identify existing measures used by organizations similar to yours.
3. Send a list of possible measures to the planning team established in Step 2 and reconvene the group.
4. In facilitated sessions, develop a list of candidate measures (that you can later refine to a shorter, more focused list) by asking each member of the team to look at each goal, sub-goal and action and answer the question: “How will we know if we have been successful in achieving this goal, sub-goal or action?”
5. Continue facilitated sessions to refine candidate measures into a shorter, more focused list by evaluating each proposed measure against the guidance and selection considerations described above.
6. Determine and document consensus.
7. Assign one or two individuals to draft descriptions for each measure after the meeting.
8. Circulate the draft measures and descriptions to the planning team for review and approval, or if necessary, reconvene the planning team to finalize measures.
9. Communicate the measures, as appropriate, throughout the organization.

### REFRESHING MEASURES

Your organization’s final list of measures likely will change over time as experience provides additional information about what measures make the most sense. Understanding that measures will change over time can be helpful in gaining consensus for the first list. This will help team members not to “let the perfect be the enemy of getting started”.

**FIGURE 2-7** Targets

## Step 7: Establish Targets

In this step, you set targets that define the improvements you want to achieve with each of your organization's associated goals, sub-goals and actions.

The toolkit defines a target as the quantifiable amount or degree of improvement desired against a goal, sub-goal, or action over a specified period of time, usually a year.

Targets translate goals into specific results desired – setting out how much improvement by when. The table below depicts targets for measures relating to the “Reduce Traffic Congestion” goal referenced in previous steps. For each measure, a specified target is shown, defining the target percent increase or decrease and the target date for accomplishment.

When setting targets consider the following points:

- A baseline must be established to assess the degree of change toward the target
- Be realistic – take into consideration staff, budgetary and process constraints
- Progress isn't always linear – don't be discouraged if progress is uneven
- Targets aren't appropriate for all measures – some measures are important to track just for context setting
- Targets can motivate and unify personnel when everyone knows what the team is working toward
- Stretch targets can energize a team, although if unrealistic, they can be demoralizing
- Targets must be regularly communicated to staff and stakeholders so they know what level of performance is desired and expected
- Where incentives or sanctions are perceived to be tied to meeting targets, there may be motivation to set easily achievable targets or manipulate performance data to show the desired results

Also, be aware that target setting can create anxiety and concern. Targets raise the stakes, can clearly show failure, and create an environment for greater accountability. In addition, when targets are made public, there may be political and public relations risks if they are not met. You will find that people may be intimidated by or resistant to setting targets.

As you begin to develop specific suggested targets, assess them by asking the following questions:

- If there is no historical data, is there data available from a similar organization that could be used to inform target setting?
- Do circumstances indicate that past trends are likely to hold going forward or is something happening to accelerate the rate of change?
- Are there any external mandates or expectations that should impact the target?
- Are there any key groups who should be consulted in establishing the target (e.g., providers who will play a role in achieving the target)? How should those consultations be handled?
- What constraints limit the amount of additional progress that can be made (e.g., budget, staff, availability of inputs to the process, size of the population to be served, etc.)?
- What level of performance is desired by stakeholders, the public and those receiving services?
- What levels of performance do similar organizations achieve?
- What level of performance is possible in your organization in a given time period?
- What message should the target send to organizational personnel and the public?

### TARGETS EMBEDDED IN GOALS

Sometimes goals include targets embedded in the language of the goal. For example, a goal may be written: Decrease traffic congestion by 20% by 2016. In this example, the goal is to decrease traffic congestion and the target is 20% reduction by 2016

## Target Sub-Steps

This step includes the following sub-steps:

1. For each goal, sub-goal and action gather data to inform target setting and establish a baseline.
2. Distribute baseline data to goal owners and ask them to develop a suggested target for their goal.
3. Circulate the draft targets to leadership (and/or planning team if desired) for review and finalization.
4. Communicate the targets, as appropriate, throughout the organization.

## STRATEGY PHASE CRITICAL SUCCESS FACTORS

This section describes a range of activities that can be undertaken to address the Critical Success Factors (CSFs) previously described as they relate to the Strategy Phase of the PM Life Cycle. The described activities and examples below are not all encompassing but rather present a sampling of suggested activities your organization should consider taking in support of efforts to develop and launch its strategic plan.

### Leadership

Addressing the Leadership CSF during the Strategy Phase entails executives and managers leading efforts to establish PM practices in their organization so it can deliver results and better track progress. It includes a broad array of activities,

including: demonstrating ongoing commitment to using PM practices; articulating the reason and importance of regularly using data in management decision-making; modeling desired behaviors so they are followed by others; encouraging and motivating personnel to accept, support and commit to the initiative; mitigating barriers; and addressing concerns of individuals and stakeholders so they do not impede progress.

While leadership is always important, it is especially so in the Strategy Phase as some decisions are fundamentally leadership's to make, such as initiating the PM effort and setting the organization's overarching goals and targets. Leadership plays a critical role in establishing an organization's way of working and overall strategic direction. Active leadership involvement in the Strategy Phase is therefore essential to success.

Among the key tasks organizational leaders will take during the Strategy Phase are: articulating the reason for initiating the PM program and strategic planning process; encouraging/motivating key personnel to "sign up" to support the program; playing a central role in identifying the organization's mission, vision, top goals and targets; and, assembling a broadly representative planning team to ensure a high-quality strategic plan is developed and agreed.

Select activities and examples for addressing the Leadership CSF in the Strategy Phase are included in the table below.

CSF Activities	Examples
Leadership demonstrates support for and launches the PM initiative	Leadership convenes initial PM planning meetings, determines the launch date for the initiative, and identifies the people and organizational units to be involved
Leadership articulates the reasons for and importance of adopting PM practices and developing strategic plan	Leadership formally announces in a "town-hall" meeting or in an "all-hands" email, the start of the PM program and the strategic planning process
Leadership heads up early-stage strategy formulation processes and has a central role in the creation of the organization's mission, vision, top goals and targets	Leadership convenes mission, vision, goals and target-setting meetings; leadership articulates vision and leads decisions on outcome-based goals and targets; leadership ensures all elements of the strategic plan are disseminated, as they are developed, to the larger organization to solicit feedback
Leadership ensures the organization's strategic plan is easy to understand and is widely circulated to organizational personnel, stakeholders and the public	Leadership publishes strategic plan on organizational website in an easy to understand and accessible format; leadership presents overview of strategic plan and its importance in series of forums to all areas of the organization and external audiences responding to questions and concerns
Leadership ensures CSFs are addressed in the Strategy Phase	Leadership is personally involved in other CSF activities as needed: finding resources; leading communications and celebration of success activities; encouraging participation and collaborative decision-making; linking to key processes and, ensuring the strategic planning process is transparent and open

## Resources/Staffing

Addressing the Resources/Staffing CSF in the Strategy Phase entails committing sufficient personnel with appropriate skills to successfully establish and operate PM practices in your organization. The Resources/Staffing CSF addresses the need to establish ownership for the PM program, ensure the creation of a core team to develop the strategic plan with leadership and subsequently support and implement the PM program.

Select activities and examples for addressing the Resources/ Staffing CSF in the Strategy Phase are included in the table below.

CSF Activities	Examples
Establish ownership of PM program	Appoint lead/owner of the PM program (to report directly to leadership), who has the experience and capabilities to head the PM initiative
Ensure the creation of a core PM team with appropriate skills and capabilities to deliver the PM program (e.g., ability to draft goals and measures from consensus, data analysis capability, etc.)	Develop a list of skills needed for the PM core team and choose members in accordance; assign ownership of other parts of the program (e.g. target development, data analysis, etc.) to individuals with the requisite skills
Identify needed resources for Strategy Phase activities, such as funding, operational needs (e.g., office space) and ensure they are available	Move existing resources or obtain new resources as required to staff and fund the PM program

## Training

Addressing the Training CSF during the Strategy Phase entails ensuring that personnel receive the training they need, appropriate to their roles, to develop a high-quality strategic plan. Training is critical because furnishing your personnel with the skills necessary to utilize PM practices helps build long-term buy-in and increases the chances of success. In the Strategy Phase, executives and planning team members should be trained on key PM concepts such as: developing outcome-based goals and sub-goals; determining the actions needed to achieve those goals; selecting the right measures to enable your organization to track progress toward outcomes; and setting realistic, but challenging targets. Training in the Strategy Phase can also introduce key staff to wider PM practices they will need to implement the PM program going forward.

Select activities and examples for addressing the Training CSF in the Strategy Phase are included in the table below.

CSF Activities	Examples
Train executives and planning team on Strategy Phase PM concepts and principles	Hold strategic planning training for top executives and planning team on topics including: outcome-based, measurable goal development; delineating actions needed to achieve goals; quantifiable measure selection; appropriate target setting, etc.
Train managers and other relevant employees as appropriate on core PM concepts and principles	Hold training on core PM concepts and principles for managers and other relevant employees to create awareness about the PM program; Leadership to attend such trainings to explain the importance of PM; Offer certificates of excellence for those who participate in PM training to get buy-in

## Communication

Addressing the Communication CSF during the Strategy Phase entails ensuring that key messages are developed and delivered to internal audiences, stakeholders and decision-makers. It focuses on providing open channels of communication for personnel and stakeholders to voice their suggestions and concerns, and provides the means for the organization to



respond to the issues raised. Communication is vital during the Strategy Phase because this is when an organization sets its long-term direction, something with which both internal and external audiences will want to engage. With good communication, personnel will feel well-informed about the implementation of the PM program and their related responsibilities. Additionally, good communication ensures everyone is aware of the strategic goals, sub-goals, actions, measures and targets as they are developed, facilitating personnel and stakeholder input throughout the process. And when the strategic plan is complete, addressing the Communication CSF entails ensuring that the plan is broadly communicated and publicized to all personnel and stakeholders through an array of channels.

Select activities and examples for addressing the Communication CSF in the Strategy Phase are included in the table below.

CSF Activities	Examples
Announce the PM program kick-off and launch of the strategic planning process	Make internal announcement at a “town-hall” meeting or in an “all hands” email; feature in speech to key stakeholder groups
Communicate Strategy Phase progress to personnel	Include section in newsletter about progress on goals, sub-goals, actions, measures and targets as they are developed
Ensure two-way communication with personnel and stakeholders	Take surveys of personnel and stakeholder opinions on Strategy Phase elements (mission, vision, goals etc.) and publish; make multiple channels available for receiving comments and opinions on Strategy Phase elements; respond to suggestions and concerns with personal replies
Communicate strategic plan throughout the organization	Display posters, with summary of organization’s strategic plan, in high traffic areas; include in internal presentations; publicize in all hands email
Make strategic plan easily available to internal personnel and key stakeholders	Publish strategic plan on the organization’s website
Brief key stakeholders (e.g., legislators, interest groups, etc.) on organization’s strategic plan	Present overview of strategic plan, including goals, sub-goals, actions, measures and targets

## Celebration of Success

Celebration of Success during the Strategy Phase entails ensuring that as key deliverables are completed and milestones met, individuals and the organization as a whole are recognized for their contributions. This includes: highlighting the Strategy Phase successes as they are achieved, such as the development of good measurable goals; taking time to recognize those individuals who have made outstanding contributions regarding Strategy Phase elements, such as the development of strong measures to track their actions; and disseminating best practices on strategic plan elements across the organization, such as sharing clear targets and the means by which those targets were determined with other teams trying to develop their own targets.

Select activities and examples for addressing Celebration of Success in the Strategy Phase are included in the table below.

CSF Activities	Examples
Recognize individual achievement during the Strategy Phase	Leadership recognizes in all staff email personnel who participated in writing the strategic plan; section of newsletter is used to recognize individuals who contributed to developing good outcome-oriented goals and measures or for setting challenging stretch targets; publish in the strategic plan the names of those involved in developing it
Celebrate completion of key Strategy Phase milestone(s)	Hold a party when strategic plan is completed; Include article on significance of strategic plan in newsletter
Track and report on Strategy Phase progress	Provide monthly updates in newsletter on number of Strategy Phase tasks completed or percent of task complete (e.g., mission statement drafted, vision statement drafted, goals and sub-goals identified, actions delineated, measures selected, targets set)
Disseminate best practices on strategic plan elements across the organization	Publish interview in newsletter regarding techniques used by an individual or group to make sure their goals are outcome based

## Participation

Addressing Participation during the Strategy Phase entails actively involving a broad spectrum of personnel across your organization in all phases of strategic plan development and the initiation of your PM program. Taking an inclusive and collaborative decision-making approach, based on the notion that people generally support what they are involved in creating, means your strategic plan and PM program will have a better chance of being implemented successfully. To enhance participation during the Strategy Phase you should involve a representative footprint of organizational personnel on the strategic planning team and ensure participation from people at all levels of the organization in developing Strategy Phase plans and elements.

Select activities and examples for addressing Participation in the Strategy Phase are included in the table below.

CSF Activities	Examples
Ensure a broad based strategic planning team with a representative footprint from all key areas of the organization	Encourage respected individuals to participate; make sure all key areas or groupings of the organization have someone on planning team; take the time needed to update participants and make sure their views are heard; use collaborative, consensus driven decision making process on development of mission, vision, goals, sub-goals, actions, measures and targets.
Ensure all levels of the organization participate, in some way, in the PM program	Hold forums in each organizational area or unit to discuss initial goals, sub-goals, actions, measures and targets and receive comments and opinions; create a contest among all employees for the best mission and vision statement; leverage communications and celebration activities to enlarge participation

## Connect to HR

Addressing the Connect to HR CSF in the Strategy Phase entails aligning individual goals and measures in personnel performance evaluations to the goals and measures of the organization. HR processes have a strong influence on the conduct, views and performance of employees. Aligning individual objectives to organizational goals and measures enhances accountability and collaboration across the organization and increases the likelihood that goals will be achieved. Moreover, because HR processes are an important and enduring component of an organization, linking PM processes to HR ensures that evidence-based decision-making is institutionalized and sustained over time as the way the organization conducts its business.

Select activities and examples for addressing the Connect to HR CSF in the Strategy Phase are included in the table below.

CSF Activities	Examples
Ensure employees align personal goals with organizational goals	Conduct communication and education activities for employees about organization's goals; require that one or more of their personal goals in their employee appraisal process reflect or support the organization's goals; track compliance and report
Tie organizational performance measures to individual performance	Use organizational performance measures and targets, where applicable, to assess individual performance

## Link to Budget

Addressing the Link to Budget CSF in the Strategy Phase entails aligning budget proposals with organizational goals, sub-goals, actions and targets. Budgets should be a reflection of an organization's strategy – providing necessary resources to the organization so it can achieve its goals and targets. Performance information should also be made available during the budget development process so it can be considered in budget deliberations and decisions. Because the budget is often the central driver for change in government, linking evidence about results to budget decision-making can help institutionalize and sustain evidence-based decision-making over time.

Select activities and examples for addressing the Link to Budget CSF in the Strategy Phase are included in the table below.

CSF Activities	Examples
Promote alignment of budget proposals to ensure delivery of goals, sub-goals, and actions.	Make presentations to budget officials on strategic plan when completed; ensure strategic plan is completed in time for goals, sub-goals, and targets to be considered in budget development processes
Align strategic planning and reporting process with budget calendar	Have budgets show how much is planned to be spent on each goal, sub-goal or action

## Public Engagement/Transparency

Addressing the Public Engagement/Transparency CSF in the Strategy Phase entails providing citizens and stakeholders with information about what their government is trying to achieve and how it is performing. Publicizing your organization's strategic plan and making performance information available in a timely and easily accessible manner is often critical to generating support for policy objectives and the maintenance of the PM program long-term. In the Strategy Phase, the Public Engagement/Transparency CSF means: creating an inclusive strategic planning process that seeks and responds to public and stakeholder input; ensuring the strategic plan is understandable and easily accessible; and disseminating information about elements of the strategic plan (e.g., mission, vision, goals, sub-goals, targets) to the public and stakeholders.

Select activities and examples for addressing the Public Engagement / Transparency CSF in the Strategy Phase are included in the table below.

CSF Activities	Examples
Ensure stakeholder/public involvement / input on the strategic plan	Establish two-way communications seeking public comment; open social media channels for receiving comments, concerns and opinions from the public and stakeholders
Ensure strategic plan is clear, concise, understandable and accessible	Adopt "common English" standards for writing; post on website; use social media to publicize/make available; provide accessible formats suitable for those using assistive reading technologies
Publicize strategic plan to public and stakeholders	Include information about the organization's mission, vision, goals and targets in public presentations, in speeches at events and in media and social media interviews

### 3. IMPLEMENTATION PHASE

This chapter guides you through the second phase of the Performance Management (PM) Life Cycle, the Implementation Phase. It describes and explains the steps and activities you can take to:

- Establish clear lines of accountability and responsibility for PM activities
- Create standards and formats for dashboards and performance reports
- Develop processes for collecting, transforming and analyzing performance data
- Develop processes for using data to manage towards achieving your organization's strategic goals and improve its operations
- Develop processes for cascading PM throughout your organization
- Track and manage completion of actions needed to deliver your goals, and
- Address Critical Success Factors for the Implementation Phase.

#### IMPLEMENTATION PHASE AT A GLANCE

The overarching objective of the Implementation Phase is to prepare the groundwork for achieving your organization's goals and operating your PM program successfully.

The toolkit defines the Implementation Phase as the stage where you develop the processes and make decisions for effectively executing your PM program.

The steps of the Implementation Phase are summarized below; detailed explanations of the steps are provided in the "step-by-step" guide that follows. The steps are:

1. **Assign accountability** for achieving goals.
2. **Establish standards and formats** for dashboards and performance reports.

#### WHAT'S INSIDE

An executive overview of the PM Implementation Phase

A step-by-step guide to developing the processes and making decisions needed for establishing PM

Guidance for addressing Implementation Phase Critical Success Factors

#### THE DIFFERENCE BETWEEN IMPLEMENTATION AND OPERATION

Although the Implementation Phase and the Operation Phase have many similar steps, there is a difference.

In the Implementation Phase, you are developing the processes needed to operate your PM program effectively. In the Operation Phase, you are using those processes to administer your PM program on a regular basis.

3. **Develop data collection processes**, including identifying where you can find the data and determining how you will extract it.
4. **Develop data transformation processes** to ensure quality and meet formatting requirements.
5. **Develop data analysis approach** to convert data into information upon which you can act.
6. **Develop performance accountability meeting processes** to use performance data to find and fix problems and manage toward achieving your organization's strategic goals and targets.
7. **Develop a cascade approach** to repeat the PM Life Cycle steps at each organizational level.
8. **Determine project management approach** to track and manage actions.

FIGURE 3-1 PM Life Cycle



## STEP-BY-STEP GUIDE

The steps described below guide you through the practical details about how to develop the processes and make decisions needed to operate your PM program.

### Step 1: Establish Accountability

In this step, you establish responsibility for achieving performance results for each goal, sub-goal and action in your strategic plan by assigning a goal owner for each goal. The toolkit defines accountability as individual responsibility for achieving assigned goals. A goal owner is the individual who leadership will turn to for answers about performance results for a specific goal.

The responsibility of goal owners encompasses not just the goal itself, but its sub-goals, actions, measures and targets. It also includes other related responsibilities such as presenting / explaining performance data to leadership, identifying the root cause of performance problems, recommending corrective actions to address problems, and tracking and ensuring that corrective activities are undertaken.

#### RESPONSIBILITY FOR PM PROCESSES

As you address accountability for performance results during the Implementation Phase, you may also want to assign responsibility for executing other PM processes (e.g., Implementation Phase Steps 2 through 6).

### Accountability Sub-Steps

1. Assign an individual owner for each goal.

2. Document goal owner assignments for future use.

## Step 2: Establish Data Reporting Standards and Formats

In this step, you establish standards and formats for performance dashboards and performance reports.

**A Dashboard** is a visual display of performance data, including contextual information, that enables users to gauge whether goals and their related targets are being met or not. They are a key tool for leaders and managers to quickly identify problems and determine solutions. Dashboards often use color ratings (e.g. green, yellow and red) to display the status of goals relative to their targets. This allows readers to focus on areas of progress and problems easily. Dashboards are typically produced and disseminated on a regular, frequent basis (e.g. monthly or quarterly). They are a source document for accountability meetings (see Step 6) and often are at the heart of published performance reports.

**A Performance Report** is a document that may include one or more dashboards, graphical representations of data and narrative analysis and explanation. Compared to dashboards, performance reports provide more comprehensive information about goals, sub-goals and actions and their measures and targets. They typically include a narrative description of performance results to provide context and insights about why a goal was or was not achieved.

**Standards and Formats** are the organization-wide guidelines for developing dashboards and performance reports. They should be uniformly followed by all parts of your organization in order to foster a common understanding of results and to allow for consistent comparisons. In developing reporting standards and formats, you should also consider the needs of your different audiences, for example:




- The public may need summary presentations of the data
- An executive might require high-level data that displays performance results, allowing him or her quickly to see key performance information, make decisions and issue directives
- An operational manager might need more details and supporting contextual information down to the action level

**Formats** determine the “look and feel” for your organization’s dashboards and performance reports. For example, they determine the writing and visual design style, and set out what information will be displayed, and how it will be arranged.

**Standards** address questions such as: What are the content requirements? What is the frequency for producing the performance reports and dashboards? When is the data available (e.g., after the end of the fiscal year) and when will it be needed (e.g., at regular leadership meetings, etc.)? What are the guidelines for assessing progress against goals?

Standards for assessing progress against a goal and determining if a target has been met are critically important. For example, in

FIGURE 3-2 Performance Status Standards

STATUS	COMPARED TO TARGET	COLOR CODE
On Target	Target met	
Close to Target	Within 20% of Target	
Off Target	Less than 80% of Target	

assessing whether a target has been achieved, typical categories would be: “On Target”, “Close to Target”, and “Off Target”. The standard will determine how these assessments are determined. For example, “Close to Target” could be defined as results within 20% of the increase or decrease desired. Examples of some common performance report and dashboard standards relating to assessing targets are shown in Figure 3-2. Note that each color code also has a separate shape so that the status will be clear to those who have difficulty differentiating colors.

Dashboard standards typically include a number of categories summarizing key information. You may choose different categories to include for your dashboards but it is recommended that key elements include:

- **Strategic Goal (and Sub-Goals):** Listing the outcome/output oriented goals as published in your organization’s strategic plan.
- **Measures:** Listing of respective measures (e.g., as published in the strategic plan for evaluating success in achieving respective goals).
- **A Current Period:** Listing performance data from the current reporting period for each measure (e.g., quarter, fiscal year or calendar year).
- **Prior Period:** Listing prior period performance data for the corresponding period for each measure.
- **Trend:** Comparing performance over time, i.e., whether performance is improving, not changing, or getting worse. Showing the trend across two or more periods is important for fully understanding performance. For example, the status could show you are “off target”, but the trend could be positive, showing continuous progress toward achieving the target.
- **Target:** Listing of targets, i.e., the desired level of performance for each goal established in the Strategy Phase.
- **Status:** Performance status identification (e.g., whether result is “on target”, “close to target”, or “off target”; status is often color coded as discussed in sub-step 2).
- **Comments:** Additional information that provides insight related to the results or analysis of the data such as frequency, source information, issues relating to data availability and/or details regarding targets, time periods being compared, program details or other factors.

Figure 3-3 shows a dashboard example using the categories and color codes listed above.

FIGURE 3-3 Dashboard Example

● On Target    ▼ Close to Target    ■ Off Target

GOAL	MEASURE	CURRENT PERIOD	PRIOR PERIOD	TREND	TARGET	STATUS	COMMENTS
Reduce wait times for processing registration and license applications	Number of online transactions	3,199,970	2,662,230	Improving	10% Increase	●	Positive social media campaign
	Statewide average branch wait times (minutes)	27.2	26.0	Getting Worse	< 15 Minutes	■	Temporary closure of two branches
	Statewide average call center wait times (minutes)	11.6	11.4	No Change	< 10 Minutes	▼	Training for call center operators initiated
	# of licenses rejected for medical reasons	673	664	No Change	NA	NA	No target has been set - not in Division control
	# of transactions conducted by industry partners	975,548	872,243	Improving	10% Increase	●	This is the second year of the program



Links to multiple examples of dashboards and performance reports using various formats can be found in Appendix B to the Toolkit below.

## Data Reporting Standards and Formats Sub-Steps

This step includes the following sub-steps:

1. Establish standards on how and when you will assess performance in dashboards and performance reports.
2. Determine dashboard and performance report formats.
3. Determine categories for dashboard display.
4. Determine schedule for dashboards (e.g., updated quarterly) and performance reports (e.g., released once a year).
5. Document your standards and formats (e.g., in dashboard and performance report templates) and ensure that they are consistently used throughout your organization.

## Step 3: Develop Data Collection Processes

In this step, you develop the processes for gathering the performance data you need to measure progress against each of your goals, sub goals and actions.

The toolkit defines developing data collection processes as (1) finding a source for obtaining performance data; and (2) determining how it will be obtained regularly; (3) establishing a timetable for its collection based on availability and reporting deadlines; (4) determining how to document the data collected for use in other processes (e.g., data analysis); and, (5) documenting how you will gather it on a regular basis.

In many cases, you can locate data sources with minimal research and a little collaboration. This is especially true for smaller organizations with straightforward and clear-cut measures and accessible data. Sometimes however, you may find that no data source exists, in which case you will have to either create one or select another measure.

While needed data is often readily available from the source and useable as is, in some cases it may require additional effort to obtain. This can range from a minor procedure (e.g., asking the IT department to run an existing procedure they haven't been using that generates the data) to efforts that are difficult and time consuming (e.g., having to create an entirely new database query procedure).

Privacy concerns, confidentiality rules or policy prohibitions may make collecting the data complicated and time consuming. You may also find cases where the data is readily available, but so out

### DATA COLLECTION MADE EASY

In some cases, the data source can simply be a person and data collection as simple as asking the right person the right question.

### TECHNOLOGY

The application of technology offers an opportunity to save time by automating data collection and other data-related processes.

of date it is not useful.

In these cases where data collection is difficult or problematic, you should assess the degree of difficulty for extracting it. If you find it is impossible, impractical or not useful to extract the data from its source, you will have to find a way to work around the problems, find an alternative source or select another measure.

You should also determine how the data will be compiled into a document (e.g., entered into a spreadsheet) for sending to the next step in the process (e.g., data analysis).

Because performance data must be timely in order to be useful for achieving your organization's strategic goals and improving its operations, an important part of this step is creating a timeline for data collection that ensures the data is provided for the time periods and with the frequency that is needed.

In determining the timeline, you should consider your organization's performance reporting periods (e.g., quarterly, annually or some other frequency) and how often the sources of your data publish updates.

You should also be sure to document your data collection sources, processes and timelines into a data collection plan. This is important because staff with data collection responsibilities change over time. Documenting a data collection plan allows new personnel to quickly and easily continue the process as historically performed, ensuring consistency, reliability and sustainability of your data collection processes.

## Data Collection Sub-Steps

This step includes the following sub-steps:

1. Identify data sources. If you cannot find a source for the data, find an alternative way to obtain the data or choose a different measure.
2. Assess problems in obtaining data and identify ways to work around problems. If workarounds are too costly or time consuming, select another measure.
3. Develop processes to extract data, including workarounds as needed.
4. Determine required frequency of data collection.
5. Determine the process for compiling the data collected (e.g., enter into a spreadsheet) so it can be used in other PM processes (e.g., data analysis).
6. Document data collection sources, processes and timelines for future use.

## Step 4: Develop Data Transformation Processes

In this step, you develop the processes for ensuring: (1) the quality of your data; and (2) whether the data is in the form and format required for other PM steps (e.g., data analysis and reporting).

The toolkit defines data transformation as the conversion of information or raw data into the quality, form and format you need to use it to manage your organization and present it to the public.

### STRAIGHTFORWARD MEASURES

In many cases, especially in smaller organizations, the development of straightforward measures may allow you to skip this step entirely. For example, if your measure is wait times in public facing offices, the data you need may be available in the right form and format, and transformation is unnecessary.

Ensuring data quality involves addressing a number of problems that often arise in data collection, including:

- Eliminating duplicates (e.g., caused by merging two databases)
- Correcting inaccurate data elements (e.g., errors made when data was entered such as misspellings, decimals put in the wrong place or numbers given an incorrect order of magnitude)
- Selecting the best data from alternate data sets (e.g., the value of data versus its difficulty to collect)
- Making sure you have not inadvertently introduced some bias into your performance data in the process of collecting it (e.g., omitting data; disproportionately representing a subpopulation in a sample; letting pre-conceived ideas color the way outcomes are presented; or, using a flawed collection process)

Once quality data is collected from its source, it may need to be modified to become the exact measure you need, as depicted in Figure 3-4. For example, if your source provides the numbers of crimes committed, but the performance measure is the per capita crime rate, you will need to divide the source data by the relevant total population to obtain the right measure. Examples of form and format data transformation include:

**FIGURE 3-4** Data Transformation Examples

RAW DATA	TRANSFORMED DATA
Number with decimal (43.32)	Percentage (43%)
Number and population	Per capita rate
Number and attributes	Demographic breakdown

- Translating data from one format to another (e.g., changing decimals to percentages)
- Creating a rate, ratio or index from multiple data elements (e.g., dividing raw numbers by population to obtain a per capita rate)
- Generating aggregated data files (e.g., joining two data elements that results in a comparison, such as the state unemployment rate compared to the national average)
- Disaggregating and sorting data by specific attributes (e.g., by location, demographics, standards or benchmarks)
- Sorting data by specific attributes, pivot tables, look-up tables or other structural categories to facilitate analysis (e.g., summarizing a comprehensive list of construction projects by region or type of construction)
- Aggregating data over time to show long-term trends so that identifying outliers, patterns and gaps is made easier

## Data Transformation Sub-Steps

This step includes the following sub-steps:

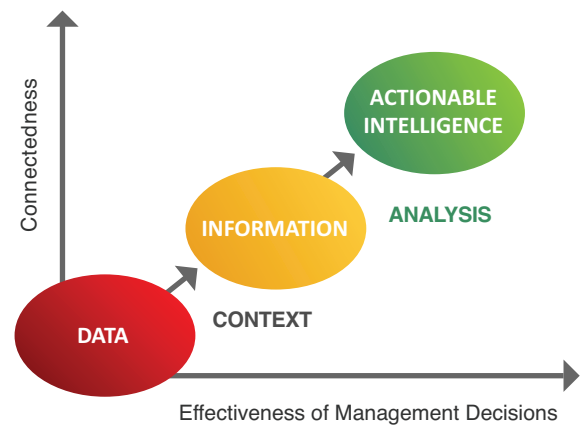
1. Develop process for ensuring data quality.
2. Develop process for ensuring data complies with the form and formats you need.
3. Document data transformation processes for future use.

## Step 5: Develop Data Analysis Approach

In this step, you develop processes for analyzing performance data. This step prepares the way for analyzing data in the Operation Phase by determining what methods, techniques and analytic or logical reasoning tools you will use to ascertain what the data means in relation to what it measures.

The toolkit defines data analysis as the process (as shown in Figure 3-5) for converting raw data into intelligence upon which you can make decisions. Raw data by itself often has little use. Data with context becomes information. Information with analysis becomes actionable intelligence.

FIGURE 3-5 Data to Information to Intelligence



While some easy-to-understand data does not need analysis, at other times analysis is needed because the data, although accurate, may be misleading without an explanation.

For example, data might show a dramatic decrease in the number of unemployed workers in the last reporting period. Based on that data, the public might assume the economy is improving. However, the root cause may be different. For example:

- The decrease could be the result of a gap in the data due to one or more jurisdictions failing to report on time
- The decrease also could be due a large number of temporary workers (e.g., census workers, or temporary help for holiday sales) being hired during the period, or,
- Discouraged workers may have given up hope of getting a job and thus by definition, been left off the unemployment roles

Without analysis to reveal what caused the decrease and what it means, officials, managers and the public could be misled into thinking the economy and employment picture was improving when it was not.

To develop processes for data analysis, you should focus on the two major components of analysis:

- Mathematical calculations
- Logical and experience-based judgment

**Mathematical calculations** are used to compare and contrast data. For example, calculations may discover outliers, patterns and gaps.

- **A data outlier** is a data element with an extreme value that

### TEXTING WHILE DRIVING

Over many years, transportation experts have identified, by category, the causes of vehicular accidents. Experience over several decades showed that when those causes are addressed, accident-related fatalities go down or remain low.

However, after a decade of declines in traffic accident related fatalities, the trend reversed itself. Fatalities increased even though the previously identified causes were being successfully addressed.

State officials and experts used judgment to hypothesize that a relatively new phenomenon, texting while driving, might be the culprit. Mathematical analysis of accident data verified the hypothesis, leading to new initiatives to address this new factor.

differs greatly from others and can skew performance assessment. For example, one major bus accident with many injuries is an outlier that can skew data on traffic accident injury rates.

- **A data pattern** is a grouping of data elements into a recognizable distribution or one that often repeats over time. Discovering data patterns can help provide insights into the data. For example, a common data pattern is a bell curve distribution.
- **A data gap** occurs when an expected value is missing from the data. Gaps in data can skew aggregations or render measurement irrelevant for the period in question. For example, a data gap occurs if on-time arrival information for public transit is available for all trains except one, or is available for all but one month.

Sometimes you may need to conduct statistical analysis (e.g., to determine the degree of deviation of a possible outlier). However, you can analyze many performance data sets with simple math skills and charting functions available in spreadsheet programs such as Excel.

**Logical and experienced based judgment** is used to figure out what the data is telling you. For example, the data may show you are achieving all sub-goals but not the goal itself. This could mean that the actions being taken are not sufficient to meet the outcome goal, but you may need to do qualitative analysis to understand where the problem is. You then can decide whether you need to completely revise your strategy, including changing your sub-goals and actions, or simply make a few minor changes.

Make sure you document your analytic methods so that new personnel can quickly and easily follow the processes during the Operation Phase. How much data analysis is necessary will depend on the nature and complexity of your data and measures.

#### DATA ANALYSIS TRAINING

Those assigned to this step should possess comprehensive data analysis skills. If they do not, your organization should provide them with adequate training in analytic techniques. The guidance in the toolkit alone is not sufficient to ensure needed skills.

### Data Analysis Sub-Steps

The step includes the following sub-steps:

1. Develop processes to review data to determine which data needs analysis;
2. Develop processes to identify – for data that needs analysis – patterns, trends, outliers and gaps and to understand what the data means in relation to what it is measuring;
3. Develop processes for drawing conclusions about your calculations, questions and assessments of the data, documenting insights and explanations, and reporting the data and analysis to the goal owner or other appropriate official; and
4. Document data analysis processes for future use.

## Step 6: Develop Performance Accountability Meeting Processes

In this step, you develop processes for using performance data to make management decisions in performance accountability meetings.

The toolkit defines performance accountability meetings as formal sessions in which executives and managers use objective performance data to:

- Review success against goals, sub-goals and actions for the period (e.g. review dashboards or performance reports)
- Discuss problems indicated by the data
- Agree on specific corrective activities to remedy problems
- Agree to track progress on corrective activities and report status at subsequent accountability meetings
- Review the progress/success of the corrective activities from prior accountability meetings.

There are many examples of organizations developing and collecting performance measures, and then not using them to make management decisions. Unless leaders and managers use PM data to manage their agencies, the entire PM activity becomes a costly exercise with few benefits. From this perspective, holding accountability meetings to ensure data is used to make management decisions is the most important PM activity.

In establishing these processes, a number of questions need to be addressed, including.

**Which levels of the organization will conduct accountability meetings?** They can be held at the chief executive level, at the major department level, or conducted separately with groups of units that have a common theme.

**Who will chair the meetings?** Depending on the meeting level, this could be the chief executive with all direct reports in attendance, the department head, or the PM lead.

**Who will attend meetings?** Broad participation is best, but, at a minimum, all goal owners and PM program leaders should attend.

**How often will the accountability meetings occur?** The typical frequency is once a quarter, but you can decide what is most appropriate for your organization, depending on considerations such as how frequently performance numbers change and can be collected and the meeting level (the closer to service delivery and operations, the greater the need for frequent monitoring).

**What processes will managers use to prepare, convene and conduct accountability meetings?** Good preparation is critical for meeting success, including for example:

- Assigning a point person for meeting preparation
- Determining deadlines for reporting units to submit performance reports and dashboards in advance of the meeting
- Determining and distributing agenda which might include for example:
  - Review status of corrective activities from last meeting
  - Discussing overall findings and leadership questions relating to performance data for the current period, including reporting on progress against actions
  - Discussing areas of high or low performance or other concerns with goal owners presenting/explaining performance data, identifying problems, and recommending their views on corrective activities needed
  - Discussing and agreeing upon corrective activities to improve low performance

#### ACCOUNTABILITY MEETINGS

Accountability meetings are most effective when they are held in the same place, at the same time and at the same frequency, and are NEVER cancelled.

- Documenting corrective activities for tracking progress and following up at subsequent meetings
- Developing processes for distributing accountability reports and dashboards to goal owners so they can prepare explanations and responses
- Adopting guiding principles for conducting meetings, such as:
  - Understanding that data is not perfect and will evolve over time
  - Maintaining an environment of open and honest dialogue
  - Making sure the point of the meeting is to focus on ways to improve performance, not criticize or punish those responsible for particular measures
  - Limit general discussions or assessments of blame in favor of problem solving using the collective wisdom and experience of meeting participants.

**How will improvement plans be created and follow-up on assigned tasks be managed?** Typically basic project management processes are adequate to track and ensure implementation of assigned tasks.

## Accountability Meeting Sub-Steps

This step includes the following sub-steps:

1. Determine the appropriate organizational level for performance accountability meetings, who will chair them and who will attend them;
2. Determine the frequency of meetings.
3. Determine the content and agenda for the meetings.
4. Develop processes for preparing for and conducting meetings.
5. Establish a process for tracking and following up on the findings, issues and corrective activities identified during accountability meetings.
6. Document accountability meeting processes and decisions for future use.

## Step 7: Develop Approach to Cascading PM Through Organization

In this step, you develop your approach to drive PM implementation throughout your organization.

The toolkit defines the cascade as repeating the steps of the PM Life Cycle throughout each level of the organization.

The cascade is a way of linking goals, sub-goals and measures by starting at the top of your organization and then moving down through each subordinate level until you reach the programs where your organization delivers services. In using this process:

### CASCADE CHOICES

When cascading PM throughout the organization, remember that not all levels will need to implement all PM Life Cycle phases or all steps within a phase.

For example, a specific unit or subdivision of the organization may have recently completed a thorough strategic plan and can skip the Strategy Phase.

Or, an agency may have had its mission, vision and goals predetermined by organization leadership, and can skip those Strategy Phase steps, moving directly to the steps for developing sub-goals, actions, measures and targets.

- Each level derives their goals from those above, asking how they can help to achieve the higher-level goals – i.e. answering what is their part in achieving the organization’s overall goals.
- Once the organization’s goals are aligned, each level then sets measures and targets for their goals, and develops processes and makes decisions needed for operating their PM effort.

When the cascade is completed, the goals of all levels of the organization will be better aligned with top-level goals and performance information will be able to be used at all levels to better assess progress against those goals.

Figure 3-6 shows how the cascade allows leadership to drive its top goals down through the organization from the executive office to its component entities (e.g. departments, agencies, divisions) and finally to the program level.

FIGURE 3-6 Cascade Hierarchy

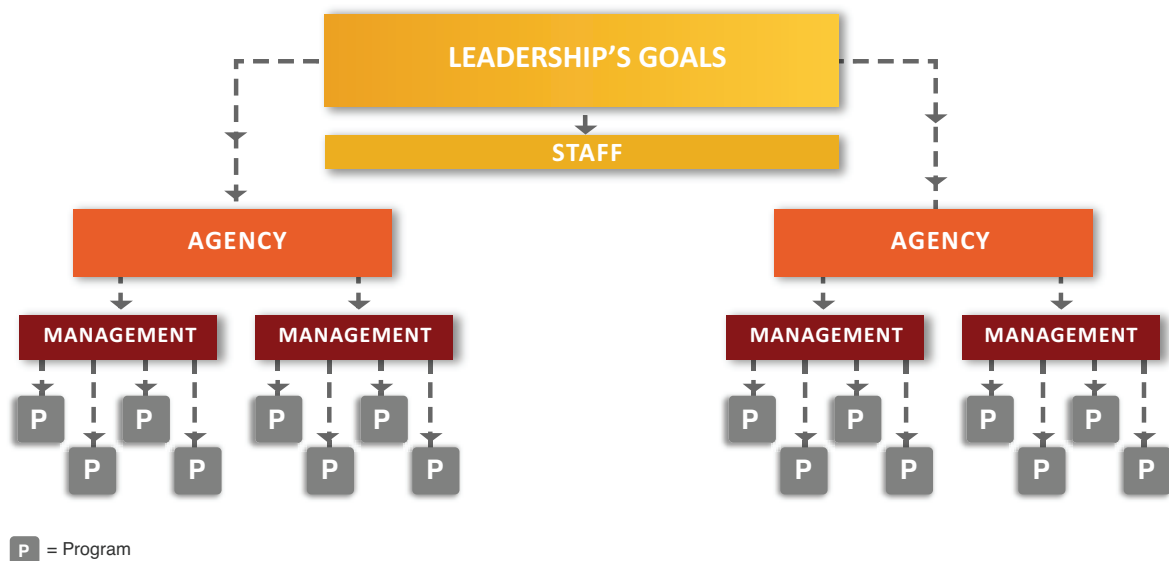
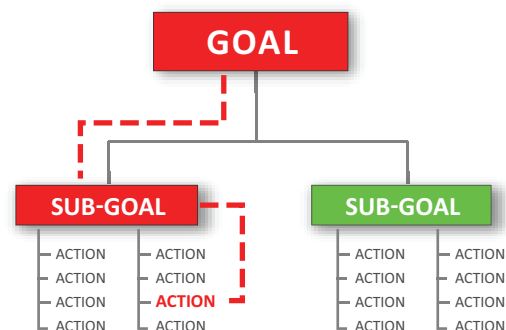


Figure 3-7 shows how cascading goals from the top to the bottom of the organization helps leaders and managers determine where problems lie and how to fix them.

In this figure, a goal at the top level of the organization is highlighted in red to indicate that the goal has not been achieved. By looking at the corresponding sub-goals at the second level of the organization, you see that one of the subgoals, highlighted in red, is not being successfully attained. The poor results for the sub-goal are contributing to the negative result for the goal above. Finally, by looking at the actions needed to achieve that sub-goal, you can determine which action, because it is not successfully being accomplished, is causing the sub-goal to fail to be achieved. By drilling down

FIGURE 3-7 Root Cause Analysis





in this way to the lowest level, you can better identify the root cause of a problem.

In determining your organization's approach to implementing the PM cascade, several questions need to be answered, including:

**What will be the scope of the cascade?** How far down the organization will PM be implemented? You may want to implement a full cascade down to the program level, or you may choose a more limited implementation to only certain levels of the organization or to only certain agencies within it.

**What will be the sequence or priority of agencies in the cascade?** This means determining which agencies you want to implement first; which you want to implement later; and which you designate as a lower priority and implement last or not at all. You should base sequencing decisions on factors such as executive priorities, the availability of resources and the size of the business units.

**What will be the timing of the cascade for each agency?** This means determining the start and end dates and duration of the cascade by each agency.

## Cascade Sub-Steps

This step includes the following sub-steps:

1. Determine scope of the cascade, e.g., which agencies and levels will be involved.
2. Determine cascade sequencing, e.g., the order in which the agencies will be implemented.
3. Establish timetable for the agency cascade, e.g., start and end dates and duration for each agency involved.
4. Document decisions and approach for future use.

## Step 8: Determine Project Management Approach to Track and Manage Actions

In this step, you should develop a project management approach to effectively track and manage the execution of actions that support the achievement of sub-goals and goals.

While small organizations may not need a formal project management approach, for most it will be needed because the list of actions may include many dozens of separate projects, each with multiple milestones. Tracking and managing the successful execution of actions is critical because they are the key to achieving your goals and sub-goals.

The toolkit defines project management approach as a formal mechanism for monitoring and administering the actions, including a work plan for each action that would have identified tasks and sub-tasks, and other standard project management elements, including for example:

- Start and end times
- Durations
- Sequential dependencies (i.e., tasks that cannot begin until another is completed)
- Designation of a responsible person for each task
- Milestones

- Current status against desired outcomes, outputs or milestones
- Time estimate to complete
- Issues for management attention.

The primary responsibility for managing actions usually resides with the goal owner and includes responsibility for:

- Managing and leading action team(s)
- Managing timelines for deliverables and milestones in line with an actions work plan
- Recording and managing issues and escalating them when necessary
- Managing changes to actions and project scope
- Monitoring progress and performance and responding as needed
- Providing status reports to your organization's executive team and the PM lead.

## Project Management Sub-Steps

This step includes the following sub-steps:

1. Determine desired outcomes, outputs or milestones for each action as appropriate.
2. Develop a work plan for executing actions listing tasks and sub-tasks as needed and other standard project management elements.
3. Develop processes (e.g., project management meeting schedule) for using the work plan to track and manage actions.
4. Develop progress report template to be updated and sent each week to responsible officials.
5. Document project management approach for future use.

## IMPLEMENTATION PHASE CRITICAL SUCCESS FACTORS

This section describes a range of activities that can be undertaken to address the Critical Success Factors (CSFs) previously described in the Critical Success Factor chapter as they relate to the Implementation Phase of the PM Life Cycle. The described activities and examples below are not all encompassing but instead present a sampling of suggested activities your organization should consider taking in support of Implementation Phase efforts.

### Leadership

Addressing the Leadership CSF during the Implementation Phase entails executives and managers leading efforts to establish PM practices in their organization so it can deliver better results. It includes a broad array of activities, including: demonstrating ongoing commitment to using PM practices; articulating the reason and importance of regularly using data and evidence in management decision-making; modeling desired behaviors so they are followed by others; encouraging and motivating personnel to accept, support and commit to the initiative; mitigating barriers; and addressing concerns of individuals and stakeholders so they do not impede progress.

Among the key tasks organizational leaders will take during the Implementation Phase are: assigning accountability for achieving goals; committing to holding and leading performance accountability meetings on a regular basis; determining the PM Cascade approach; scheduling regular meetings to track and manage actions (this could be done as part of accountability meetings).

Select activities and examples for addressing the Leadership CSF in the Implementation Phase are included in the table below.

CSF Activities	Examples
Leadership personally communicates the “launch” of PM Implementation Phase	Leadership publishes PM newsletter announcing the implementation activities, their importance, the reason and benefits, what is expected of personnel and the overall approach and timetable for the effort.
Leadership shows commitment by ensuring specific individuals are named as accountable for the various Implementation Phase processes	Leadership participates in selection processes and announces the names of goals owners via an all-hands email to the entire organization
Leadership actively works to address or mitigate barriers to success of the PM program	Leadership reallocates resources to address a difficult data collection problem
Leadership demonstrates commitment to a comprehensive cascade of PM	Leadership convenes and leads cascade planning meetings with department heads to determine scope, timing and sequence of PM cascade and announces cascade approach to all personnel

## Resources/Staffing

Addressing the Resources/Staffing CSF in the Implementation Phase entails committing sufficient personnel with appropriate skills and other resources to achieve goals and targets and successfully establish and operate PM practices in your organization. Activities that address the Resources/Staffing CSF during the Implementation Phase include: ensuring assigned goal owners have time available to execute their new responsibilities; ensuring technical skills and/or resources are made available as needed to address technical data collection problems; ensuring those assigned to data analysis have the needed skills; and ensuring the staff time required to execute the PM Cascade throughout the organization is correctly estimated and provided.

Select activities and examples for addressing the Resources/Staffing CSF in the Implementation Phase are included in the table on the next page.

CSF Activities	Examples
Ensure qualified persons are available for assignment to help develop key Implementation Phase processes	Skilled personnel time is reallocated to facilitate their participation in development of key processes, e.g., personnel with analytic skills are made available to help develop data analysis approach; personnel with project management skills are made available to help set up project management to track and manage actions
Resources are provided for solving technical problems with data collection	Staff with expertise are engaged to develop simple routines for collecting data from problematic sources

## Training

Addressing the Training CSF during the Implementation Phase entails ensuring that personnel receive the training they need, appropriate to their roles, to develop the processes created in the Implementation Phase. This should include training to: ensure goal owners are aware of their responsibilities and understand project management for tracking and managing actions; ensure those developing standards and formats have received training on dashboard and performance report development; ensure those developing the data analysis approach have received adequate training in analytic techniques; ensure the guiding principles for conducting performance accountability meetings are understood by all participants; ensure those participating in the PM Cascade are adequately trained in pertinent PM Life Cycle Phases and Steps. Training conducted in the Implementation Phase can also provide staff with skills they will need to execute the steps of the Operation Phase.

Select activities and examples for addressing the Training CSF in the Implementation Phase are included in the table below.

CSF Activities	Examples
Develop training materials and conduct training on Implementation Phase Steps	Conduct training on data collection, transformation, analysis and reporting, offering certificates of excellence or achievement for those who participate
Ensure participants in performance accountability meetings understand guiding principles for conducting the meetings	Develop presentation for first performance accountability meeting detailing the need for open and honest dialogue, problem solving, and focusing on improving performance – not on assessing blame

## Communication

Addressing the Communication CSF during the Implementation Phase entails ensuring that key messages are developed and delivered to internal audiences, stakeholders and decision-makers. It focuses on providing open channels of communication for personnel and stakeholders to voice their suggestions and concerns, and provides the means for the organization to respond to the issues raised.

Communication is vital during the Implementation Phase because this is when an organization develops the processes and makes key decisions that will be used once PM is in operation. With good communication, personnel will feel well informed about the implementation of the PM program and their related responsibilities.

Additionally, good communication ensures everyone is aware of the processes as they are being developed, facilitating personnel and stakeholder input throughout the process. And when the Implementation Phase is complete, addressing the Communication CSF means ensuring that the key decisions and processes to be used in the Operation Phase will have been well publicized and are understood by those who will use them.

Examples of activities that address the Communication CSF in the Implementation Phase include: publicizing accountability for achieving goals; describing dashboard and performance report formats and standards, identifying what performance information will be included and how it will be displayed; communicating to the public, stakeholders and internal personnel the purpose, schedule and frequency of performance accountability meetings.

Select activities and examples for addressing the Communication CSF in the Implementation Phase are included in the table below.

CSF Activities	Examples
Publicize internally the assignment of accountability for achieving goals	Communicate the list of goals and goal owners describing their responsibilities and importance of their efforts
Publicize dashboards and performance reports formats and standards	Identify communication vehicles and develop message(s) for public, stakeholder and internal personnel describing the format, standards and schedule of dashboards and performance reports, including what performance information will be included and how it will be displayed.
Announce the start of performance accountability meetings	Press release to public, and direct communication to stakeholders and internal personnel announcing the schedule and frequency of performance accountability meetings

## Celebration of Success

Celebration of Success during the Implementation Phase entails ensuring that as processes are developed and key decisions made, individuals and the organization as a whole are recognized for their contributions. This includes:

- Celebrating Implementation Phase successes as they are achieved (e.g., the assignment of accountability for achieving goals or the development of key processes such as data collection, transformation or analysis);
- Taking time to recognize those individuals who have made outstanding contributions regarding Implementation Phase steps, (e.g., developing a practical workaround relating to a difficult data collection problem).
- Disseminating best practices across the organization (e.g., sharing formats and standards for performance reports and dashboards to those organizational units which later will be implementing the PM Cascade).

Select activities and examples for addressing Celebration of Success in the Implementation Phase are included in the table below.

CSF Activities	Examples
Highlight Implementation Phase successes as they are achieved	Publicize progress as each Implementation Phase step is achieved, citing the processes developed or decisions made, their importance and recognizing individuals and groups who have contributed to their achievement
Recognize individual contributions to Implementation Phase achievements	Publicly recognize individuals in meetings, all-hands email or organization's newsletter for their contributions to Implementation Phase steps, such as for developing a practical workaround relating to a difficult data collection problem
Disseminate best practices developed in the implementation phase	Disseminate useful, well designed or effective formats and standards for performance reports and dashboards to those organizational units which later will be implementing the PM Cascade

## Participation

Addressing Participation during the Implementation Phase entails actively involving a broad spectrum of personnel across your organization in developing key processes and making key decisions.

Taking an inclusive and collaborative decision-making approach, based on the notion that people generally support what they are involved in creating, means the processes and decisions will more likely be supported and be more effective when implemented.

To enhance participation during the Implementation Phase you should ensure broad participation from people at all levels of the organization in Implementation Phase process development and decision-making. Examples of activities that address the Participation CSF in the Implementation Phase include: ensuring assignments of goal owners are distributed broadly throughout the organization; and, ensuring broad-based participation in accountability meetings.

Select activities and examples for addressing Participation in the Implementation Phase are included in the table below.

CSF Activities	Examples
Ensure broad-based participation in development of processes and decision making for all steps of the Implementation Phase	For each process to be developed in the Implementation Phase assign a broad-based team of personnel to develop a recommended process, and report to the planning team for review, modification as needed and approval.
Ensure assignments of goal owners are distributed broadly throughout the organization	Publicize goals and responsibilities of goal owners (e.g., attending performance accountability meetings, presenting performance data, recommending and tracking corrective activities as needed). Select one goal owner for each goal, maximizing the distribution across the organization, if that can work based on existing responsibilities.
Ensure broad-based participation in accountability meetings	Require attendance at accountability meetings of all leadership direct reports and encourage mid-level managers and above to attend if possible (e.g., by encouraging supervisors to allow managers time to attend the meeting). Measure and publicize attendance by representative footprint (e.g., total number of participants, location within the organization, and level of authority etc.). Develop and implement plans to increase participation based on attendance data as needed.

## Connect to HR

Addressing the Connect to HR CSF in the Implementation Phase entails integrating key Implementation Phase activities into the personnel appraisal process. For example, for those participating in Implementation Phase activities, contributions to the objectives of the Implementation Phase (e.g. helping to develop key processes) should be a part of their individual performance evaluation.

Because HR processes have a strong influence on the conduct, views and performance of employees, linking PM processes to HR processes in this way increases the likelihood that the PM program will be successful and ultimately that organizational goals and targets will be achieved. Moreover, because HR processes are an important and enduring component of an organization, this linkage helps ensure that evidence-based decision-making is institutionalized and sustained over time as the way the organization conducts its business.

Select activities and examples for addressing the Connect to HR CSF in the Implementation Phase are included in the table below.

CSF Activities	Examples
Develop processes to link success of PM program related efforts to HR personnel evaluation process (where applicable)	Ensure goal owners will be evaluated not just for achieving their assigned goal but also for how well they accomplish other related responsibilities such as presenting/explaining performance data at accountability meetings, finding problems, recommending, tracking and achieving corrective activities when needed, etc.
For personnel participating in the Implementation Phase, link their contributions to development of Implementation Phase processes and decisions into their individual appraisal processes	Develop HR processes for assessing participating personnel - as appropriate - on their contributions to development of: data reporting standards and formats; data transformation processes; data collection processes; an approach to data analysis; accountability meeting processes; and, project management processes for tracking and managing actions.

## Link to Budget

Addressing the Link to Budget CSF in the Implementation Phase entails aligning budget proposals with processes developed and decisions made in the Implementation Phase. Information on the expected costs of operating processes developed in the Implementation Phase should be available to officials during budget deliberations. Ideally, budgets should be aligned with those costs. For example, if it turns out that the data collection process developed in the Implementation Phase requires resources for hiring technical experts to develop routines for extracting data from source systems, the budget should be developed in consideration of those costs, and the needed funds provided if possible. Including funds for operating Implementation Phase developed processes will increase the likelihood those processes will be effective. That, in turn, will increase the chance for success of the PM program, and ultimately of achieving your organization's goals and targets.

Select activities and examples for addressing the Link to Budget CSF in the Implementation Phase are included in the table below.

CSF Activities	Examples
Budget deliberations consider resources needed to operate processes developed in the Implementation Phase	Budget includes resources for hiring technical experts to develop routines for extracting data from source systems

## Public Engagement/Transparency

Addressing the Public Engagement/Transparency CSF in the Implementation Phase entails ensuring that the processes developed and decisions made in the Implementation Phase provide the public and stakeholders with accurate, timely and easily accessible information about their government's performance, creating the opportunity for more meaningful engagement. It also includes ensuring that Implementation Phase activities provide for disclosing information not just about successes, but also about what the problems are, where the responsibility lies and what is being done to fix them. Public engagement and transparency is critical to generating support for policy objectives, maintaining the PM program long-term, and promoting trust in government.

Because activities that address the Public Engagement/Transparency CSF in the Implementation Phase apply to almost every step of the Phase, each step should be executed in consideration of its potential impact on public engagement and transparency. For example, goal owner assignments should be publicized to inform the public about who is accountable for what goals. Formats and standards for dashboards and performance reports should be developed to provide useful, understandable and easily available performance information (e.g., showing where problems lie and what is being done to address them) so the public is informed and meaningful engagement with government is enhanced.

Data collection, transformation and analysis processes developed in the Implementation Phase should ensure that data reflects actual performance, is timely, and accurate. Processes and decisions about performance accountability meetings should ensure that the public is informed about meeting times, and has opportunities to present their point of view and engage in the discussions at the meetings.

Select activities and examples for addressing the Public Engagement/Transparency CSF in the Implementation Phase are included in the table below.

CSF Activities	Examples
Standards and formats for public-facing dashboards and performance reports ensure they are clear, concise, accessible and understandable	Provide color coded visual displays that allow readers to quickly see important information; adopt "common English" standards for writing
Data collection, transformation and analysis processes developed in the Implementation Phase should ensure that data reflects actual performance, is timely, and accurate	Data analysis processes should identify data outliers and gaps and provide an analysis of what the data actually means in relation to what it measures
Processes and decisions about performance accountability meetings should promote public engagement and transparency	Publish accountability meeting schedule and locations for meetings where the public can ask questions and engage in discussions about organizational performance



## 4. OPERATION PHASE

This chapter guides you through the third phase of the Performance Management (PM) Life Cycle, the Operation Phase. It describes and explains steps and activities you can take to:

- Collect, transform and analyze performance data
- Report performance data in dashboards and performance reports
- Conduct performance accountability meetings using data to manage towards achieving your organization's strategic goals and improve its operations
- Cascade PM throughout your organization
- Track and manage completion of actions needed to deliver your goals
- Address Critical Success Factors for the Operation Phase.

### WHAT'S INSIDE

An executive overview of the PM Operation Phase

A step-by-step guide to Operation Phase activities

Guidance for addressing Operation Phase Critical Success Factors

## OPERATION PHASE AT-A-GLANCE

The objective of the Operation Phase is to manage your organization by regularly using performance information to assess achievement of goals, sub-goals and actions, and to undertake corrective activities to keep your performance on track.

FIGURE 4-1 PM Life Cycle



The toolkit defines the Operation Phase as the stage where you execute required PM practices on a regular basis to generate performance information and use it to evaluate progress, inform decision-making, and manage towards achieving your organization's goals and targets.

The process of using performance information regularly over time for continuous improvement is a hallmark of any successful PM program.

The steps described in the Operation Phase mirror the steps in the Implementation Phase and use similar language. The difference is that in the Implementation Phase you are developing the necessary PM processes and practices that will be needed to operate the PM program. In the Operation Phase, you are putting those practices to work, following the processes you've established to administer your PM program on a regular basis. Also in contrast to previous

phases, where you generally execute the prescribed steps once, most of the steps in the Operation Phase are repeated during every reporting period.

Operation Phase steps are summarized below; detailed explanations are provided in the “step-by-step” guide that follows. The steps are:

1. **Collect data** for performance measures.
2. **Transform data** to ensure quality and meet formatting requirements.
3. **Analyze data** to convert raw data into information upon which you can act.
4. **Report data** by populating dashboard and performance reports for distribution internally for management and externally for the public and stakeholders.
5. **Conduct performance accountability meetings** to ensure performance data is used to find and fix problems and manage toward achieving your organization’s strategic goals and targets.
6. **Execute PM Cascade** by repeating the Strategy, Implementation and Operation Phase steps at other levels of the organization.
7. **Execute project management** to track and manage actions.

## STEP-BY-STEP GUIDE

The steps described below guide you through the practical details about how to operate your PM program on a day-to-day basis.

### Step 1: Collect Data

In this step, you collect performance data for each performance measure for all goals, sub-goals and actions.

The toolkit defines “collect data” as using the processes developed in the Implementation Phase to extract performance data for each measure from its source location and compiling it for use in other steps.

This may include a simple download from a public or internal system, running a system extraction procedure or collecting data from a newly created source.

#### “DON’T LET THE PERFECT BE THE ENEMY OF THE GOOD”

Don’t worry if you don’t get everything right the first time. Very few organizations will be able to execute PM steps exactly as recommended. Make your best efforts and just get started and PM will bring important benefits. You can make improvements over time to correct problems.

### Data Collection Sub-Steps

This step includes the following sub-steps (repeated for each reporting period):

1. Extract data by pulling it from your selected sources, including using any workarounds to extraction problems, according to the timeline and processes established in the Implementation Phase.
2. Produce a report (e.g., typically a spreadsheet) for each reporting period, according to the process for compiling the data developed in the Implementation Phase. This will serve as your input to the data transformation step.

3. Continually document any modifications to your data collection processes to reflect any changes from reporting period to reporting period. This will make it easier to collect data in the future.

## Step 2: Transform Data

In this step, you transform data so it can be effectively used in dashboards and performance reports. As noted previously, smaller organizations or those with straightforward measures may be able to skip this step entirely because their data may be obtained in an already usable form and format.

The toolkit defines “transform data” as the act of converting raw data to the form and format you need for dashboards and performance reports by using the processes set out in the Implementation Phase. This includes ensuring the data is of suitable quality for analysis (e.g., correcting errors and eliminating duplicates). It also includes putting data in the right format for inclusion in dashboards and performance reports (e.g., changing decimals to percentages or nominal amounts to per capita rates).

As you operate your data transformation processes, the sub-steps for data transformation you will use depend on the specifics of the data set with which you are working.

### Data Transformation Sub-Steps

Some examples of data transformation sub-steps include (repeated for each reporting period):

1. Using processes developed in the Implementation Phase to ensure data quality by:
  - Eliminating duplicates (e.g., those caused by merging two databases)
  - Correcting inaccurate data elements (e.g., data entry errors such as misspellings, decimals put in wrong place or numbers given an incorrect order of magnitude)
  - Selecting the best among alternate data elements (e.g., timely but difficult to collect versus less timely but readily available)
  - Checking for common types of data bias (e.g., sampling bias)
2. Using processes developed in the Implementation Phase, to conform data to the form and formats needed for dashboards and reports (see Step 6) by:
  - Translating data from one format to another (e.g., changing decimals to percentages)
  - Creating a rate, ratio or index from multiple data elements (e.g., dividing raw numbers by population data to obtain a per capita rate)
  - Generating aggregated data files (e.g., joining two data elements that result in a comparison, such as a state unemployment rate compared to the national average)
  - Disaggregating and sorting data (e.g., by specific attributes, such as location, demographics, national averages, standards or benchmarks)
  - Aggregating data over time to show long-term trends so that identifying outliers, patterns and gaps is made easier

## Step 3: Analyze Data

In this step, you analyze performance data for each of your PM measures, using the processes developed in the Implementation Phase.

The toolkit defines “data analysis” as the act of converting raw data into intelligence upon which you can make decisions.

As detailed and described in the Implementation Phase, data analysis is comprised of the two major types of analysis:

- Mathematical calculations
- Logical and experience-based judgment

Mathematical calculations are used to compare and contrast data. Logical and experienced-based judgment is used to figure out what the data is telling you.

### Data Analysis Sub-Steps

Data analysis includes the following sub-steps (repeated for each reporting period):

1. Review data, using the processes developed in the Implementation Phase, to determine which data needs analysis and which data does not (because it is straightforward and easy to understand).
2. Evaluate data that needs analysis, using the processes developed in the Implementation Phase, to identify patterns, trends, outliers and gaps and to determine what the data shows in relation to what it is measuring.
3. Draw conclusions, using the processes developed in the Implementation Phase, about your calculations, questions and assessments of the data. These conclusions should then be documented to capture your insights and explanations.
4. Compare final data elements to targets, using the processes developed in the Implementation Phase, to determine whether the results show the target was achieved (e.g., green as described in Implementation Phase Step 2), the results were close to the target (e.g., yellow) or the results were significantly below target (e.g., red).
5. Document analysis and conclusions, using the processes developed in the Implementation Phase, to create the inputs to dashboards and performance reports which will be where you house and present performance information.

## Step 4: Report Data

In this step, you load the transformed data into performance report formats and dashboard templates developed in the Implementation Phase.

The toolkit defines “report data” as the act of compiling and developing dashboards and drafting performance reports that depict, describe and explain performance against goals, and disseminating them to internal and external audiences.

## Data Reporting Sub-Steps

This step includes the following sub-steps (these steps are repeated for each reporting period):

1. Disseminate analyses and conclusions developed in the Data Analysis step to goal owners. This analysis serves as an input to dashboards and performance reports.
2. Produce dashboard(s) by populating transformed and analyzed performance data into the dashboard template developed in the Implementation Phase.
3. Produce performance report including a summary of findings, dashboards, displays of data, and narrative explanations and analysis using the performance report format and following the reporting frequency developed in the Implementation Phase.
4. Disseminate dashboard and performance reports to leaders and managers as determined in the Implementation Phase (this should be done well in advance of accountability meetings to allow those accountable to prepare explanations and suggested corrective activities as needed).
5. Publish the dashboards and reports internally and externally as determined in the Implementation Phase.

## Step 5: Conduct Performance Accountability Meetings

FIGURE 4-2 Meeting Conversation Flow Chart



In this step, you hold performance accountability meetings according to the processes and decisions developed in the Implementation Phase.

Performance accountability meetings are a vital mechanism for ensuring that executives and managers use and discuss performance data to inform decisions about how they deliver programs and services on a regular basis. As described in the Implementation Phase, unless leaders and managers use PM data to manage their agencies, the entire PM activity becomes a costly exercise with few benefits. From this perspective, holding accountability meetings to ensure data is used to make management decisions is the most important PM activity.

The toolkit defines performance accountability meetings as formal sessions in which executives and managers discuss how

they advanced their organization's goals during the previous period, the successes achieved, what problems they encountered, and how they will fix those problems during the next period so they remain on track toward achieving their goals and targets.

You can conduct accountability meetings at various levels of your organizations. In some organizations, the chief executive chairs accountability meetings with his/her direct reports in a public forum. In other organizations, accountability meetings focus on the division or agency level of operations.

Whether the meetings are at a higher or lower level of the organization, they share a common purpose— ensuring the use of data to drive performance, spread best practices, find and fix problems and make management decisions as illustrated in Figure 4-2.

## Accountability Meeting Sub-Steps

This step includes the following sub-steps (these steps are repeated for each reporting period):

1. Disseminate performance data (e.g., dashboards and performance reports) to attendees in advance of the meeting.
2. Conduct accountability meetings as scheduled and planned during the Implementation Phase, including the following agenda items:
  - Review status of corrective activities from previous meetings
  - Discuss overall findings and leadership questions relating to current period performance data
  - Discuss areas of under performance
  - Identify, discuss and agree upon further corrective activities to address under performance.
3. Track and follow-up on the findings, issues and corrective activities identified during the meeting:
  - Review decisions and corrective activities identified during the meeting to make sure next steps are clear
  - Formalize understandings by sending a memo to participants, documenting corrective activities and confirming responsibilities
  - Track due dates for corrective activities and send reminders
  - Include in agenda for next meeting (or for selected meeting).

### CONTINUOUS IMPROVEMENT

Conducting performance accountability meetings will sometimes uncover the need for changes to elements of the PM Life Cycle (e.g., goals, data collection). If so, you should make them as you discover them. This has two benefits: performance related to achieving goals will continuously improve, and your PM program will remain vibrant and become more effective over time.

## Step 6: Execute Cascade

In this step, you cascade the PM program down through the organization in accordance with the cascade plan created during the Implementation Phase.

The toolkit defines the cascade as repeating the steps of the PM Life Cycle throughout other levels of the organization.

The cascade is a way of linking goals, sub-goals and measures by starting at the top of your organization and then moving down through each subordinate level until you reach the target level, or if a complete cascade is desired, until you reach the programs where your organization delivers services. In this step, you track the implementation of the PM cascade through other parts of the organization to determine whether it is happening, how it aligns to higher-level goals and whether it is being implemented effectively, making adjustments and corrections as necessary.

This step includes the following sub-steps:

1. Follow the agreed-upon scope, as determined in the Implementation Phase, for how far down the organization you will implement PM.
2. Follow the agreed-upon sequencing and timetable, as determined in the Implementation Phase, for the order in which you will conduct the implementation cascade within your organization's business units.
3. Implement your cascade by repeating the relevant steps of the strategy and implement phases.
4. Track cascade implementation making adjustments and corrections as necessary.
5. Operate the PM program in other parts of the organization, once it is established, by following the steps of the Operation Phase.

## Step 7: Manage Actions

In this step, you execute project management to track and manage actions as using the processes established in the Implementation Phase.

As discussed in the Implementation Phase, small organizations may not need a formal a project management approach, but for others it will be needed because the list of actions may include a large number of separate projects, each with multiple milestones. Tracking and managing the successful execution of actions is critical because they are the key to achieving your sub-goals and goals.

The toolkit defines “manage actions” as the act of using project management as a formal mechanism for monitoring and administering actions, including a work plan for each action that has identified tasks and sub-tasks, and other standard project management elements, including for example:

- Start and end times
- Durations
- Sequential dependencies (i.e., tasks that cannot begin until another is completed)
- Designation of a responsible person for each task
- Milestones
- Current status against desired outcomes, outputs or milestones,
- Time estimate to complete
- Issues for management attention.

## Manage Actions Sub-Steps

This step includes the following sub-steps (these steps are repeated for each reporting period):

1. Manage timelines for deliverables, as determined in the Implementation Phase.
2. Track and manage project issues and escalate them where necessary, as determined in the Implementation Phase.
3. Manage changes in actions and project scope, using the processes developed in the Implementation Phase.
4. Monitor progress and performance, as determined in the Implementation Phase.
5. Develop and circulate status reports to your organization's executive team, as determined in the Implementation Phase.

## OPERATION PHASE CRITICAL SUCCESS FACTORS

This section guides you through a range of activities you can undertake to address each of the CSFs identified and explained in the Critical Success Factor chapter as they relate to the Operation Phase of the PM Life Cycle. The described activities and examples below are not all encompassing but instead present a sampling of suggested activities your organization should consider taking in support of Operation Phase efforts.

### Leadership

Addressing the Leadership CSF during the Operation Phase entails executives and managers leading efforts to use PM practices in their organization so it can deliver better results. It includes a broad array of activities, including: demonstrating ongoing commitment to using PM practices; articulating the reason and importance of regularly using data and evidence in management decision-making; modeling desired behaviors so they are followed by others; encouraging and motivating personnel to accept, support and commit to the initiative; mitigating barriers; and addressing concerns of individuals and stakeholders so they do not impede progress.

Among the key tasks organizational leaders will take during the Operation Phase are: holding and leading performance accountability meetings on a regular basis; executing the PM Cascade approach; conducting regular meetings to track and manage delivery of key actions (this could be done as part of accountability meetings).

Select activities and examples for addressing the Leadership CSF in the Operation Phase are included in the table below.

CSF Activities	Examples
Leadership regularly shows commitment to accountability meetings	Chair and actively participate in performance accountability meetings for the organization's top level performance goals
Leadership personally approves dashboards and performance management reports	Leadership authors and signs introduction/summary to annual performance report
The PM lead personally tracks the logistics of accountability meetings, as well as the status of corrective activities, to ensure desired improvements are being achieved	Preparation and dissemination of report on accountability meeting highlights and pending corrective activities



CSF Activities	Examples
Leadership regularly shows commitment to accountability meetings	Chair and actively participate in performance accountability meetings for the organization's top level performance goals
Leadership personally approves dashboards and performance management reports	Leadership authors and signs introduction/summary to annual performance report
The PM lead personally tracks the logistics of accountability meetings, as well as the status of corrective activities, to ensure desired improvements are being achieved	Preparation and dissemination of report on accountability meeting highlights and pending corrective activities
Leadership, based on recommendations from the PM lead, demonstrates commitment to corrective actions taken during performance accountability meetings	Publishing progress report on corrective activities in all hands e-mail under the top official's name

## Resources/Staffing

Addressing the Resources/Staffing CSF in the Operation Phase entails making personnel with appropriate skills available to support key Phase steps and providing other needed resources to achieve goals and targets and operate PM practices in your organization. Activities that address the Resources/Staffing CSF during the Operation Phase might include, for example: ensuring technical skills are available as needed to address technical data collection problems; providing data analysts who have the needed skills; and ensuring the staff time required to execute the PM Cascade throughout the organization is provided.

Select activities and examples for addressing the Resources/Staffing CSF in the Operation Phase are included in the table below.

CSF Activities	Examples
As people move and leave the organization, ensure the organization is adequately staffed with skills necessary for conducting PM activities	Reallocating assignments among staff to ensure staff have sufficient time and adequate skills to perform data collection, analysis, and transformation activities, prepare dashboards and performance reports, attend performance accountability meetings, and track and manage actions and corrective activities

## Training

Addressing the Training CSF during the Operation Phase entails ensuring that training is conducted to ensure personnel have the skills they need to execute their responsibilities in the Operation Phase. This might include, for example, conducting training on: project management for tracking and managing actions; preparing dashboard and performance reports; data analysis; conducting performance accountability meetings; executing the PM Cascade.

Select activities and examples for addressing the Training CSF in the Operation Phase are included in the table below.

CSF Activities	Examples
Conduct training as determined by the training needs assessment conducted in the Implementation Phase	Conduct training on: project management for tracking and managing actions; preparing dashboard and performance reports; data analysis; conducting performance accountability meetings; executing the PM Cascade.
Conduct training for those participating in the PM cascade	Training materials, as developed and tailored to the needs of different levels of the organization in the Implementation Phase, are delivered to appropriate organizational levels and training is conducted according to plans developed in the Implementation Phase

## Communication

Addressing the Communication CSF during the Operation Phase entails ensuring that key messages are developed and delivered to internal audiences, stakeholders and the public. It also focuses on providing open channels of communication for all audiences to voice their suggestions and concerns, and provides the means for the organization to respond to the issues raised.

Communication is vital during the Operation Phase because with good communication, staff will feel well informed about the progress being made, the operation of the PM program and their related responsibilities. Additionally, two-way communication helps people from all audiences feel that their input is valued and being listened to.

Examples of activities that address the Communication CSF in the Operation Phase include: publicizing progress toward achieving goals; disseminating dashboards and performance reports internally to all personnel and externally to stakeholders and the public; communicating to the public, stakeholders and internal personnel the purpose, schedule and frequency of performance accountability meetings and reporting on key discussions and actions taken.

Select activities and examples for addressing the Communication CSF in the Operation Phase are included in the table below.

CSF Activities	Examples
Ensure dashboards and performance reports are tailored to the needs of internal and external audiences	Regularly issue communications about dashboards to goal owners; disseminate notice of availability of performance reports to stakeholders with summary of key elements; post performance data and information online regularly
Ensure any changes to the strategic plan or to elements of the PM program resulting from lessons learned during the Operation Phase, are broadly disseminated	Maintain current PM strategic plan on the organization's website; disseminate information about any changes to PM program (e.g., changes to measures, targets, etc.) in a timely manner across the organization
Ensure accountability reports are disseminated to accountability meeting participants well in advance of meetings	Track report dissemination via tracking sheet
Leadership communicates progress, important milestones, key information and personal recognition at regular intervals	Leadership sends monthly or quarterly newsletter on PM activities to all personnel and responds to concerns and suggestions

## Celebration of Success

Celebration of Success during the Operation Phase entails ensuring that as operations are conducted, individuals are recognized for their contributions and organization-wide successes are celebrated. This might include for example:

- Celebrating Operation Phase successes as they are achieved (e.g., overall progress toward achieving goals; summary of effective corrective activities; execution of PM cascade to an additional level);
- Taking time to recognize those individuals who have made outstanding contributions to operations (e.g., a goal owner achieving a target ahead of schedule).
- Disseminating best practices across the organization (e.g., sharing tips for conducting performance accountability meetings to those organizational units that will be executing the PM Cascade).

Select activities and examples for addressing Celebration of Success in the Operation Phase are included in the table below.

CSF Activities	Examples
Celebrate successes as they are achieved	In all-hands newsletter, publicize execution of PM cascade to additional level
Recognize individuals who have made outstanding contributions during the Operation Phase	At regular staff meetings, leadership commends goal owners who: have achieved, or are on track to achieve, their goal targets; have delivered a key action; or have identified and executed successful corrective activities
Disseminate best practices across the organization	Share tips for conducting performance accountability meetings with those organizational units that will be executing the PM cascade

## Participation

Addressing Participation during the Operation Phase entails actively involving a broad spectrum of personnel across your organization in Operation Phase activities and key decisions.

Taking an inclusive and collaborative decision-making approach, based on the notion that people generally support what they are involved in creating, means activities and decisions will more likely be supported and be more effective as they are executed.

Examples of activities that address the Participation CSF in the Operation Phase might include, for example: goal owners meeting together to collaborate on ways to achieve their goals, sharing their input on any needed changes to goals or targets, and determining how leadership might help to address any identified barriers; ensuring broad-based participation in accountability meetings; providing a means for get input regarding problems and recommendations for improvement from all personnel on Operation Phase activities.

Select activities and examples for addressing Participation in the Operation Phase are included in the table below.

CSF Activities	Examples
Leadership demonstrates commitment to the performance accountability meeting process by ensuring all direct reports actively participate	Record and track attendance of executives and goal owners at accountability meetings.
Provide means for collaboration between goal owners across the organization	Goal owners meet together to discuss ways to achieve their goals, share input on any needed changes to goals or targets, and determine how leadership might help to address any identified barriers
Provide means for all personnel to provide input on Operation Phase activities	Schedule rotating series of meetings with all organizational units to discuss problems, listen and respond to recommendations for improvements in operations (e.g., accomplishing actions)
The PM lead invites junior staff to attend accountability meetings	Meeting schedule and who is invited is coordinated so that junior staff attend meetings involving their agencies or issues of concern

## Connect to HR

Addressing the Connect to HR CSF in the Operation Phase entails integrating key Operation Phase activities into the personnel appraisal process. For example, for those participating in Operation Phase PM activities, contributions to the objectives of an Operation Phase step (e.g. data analysis; dashboard development; executing goal ownership responsibilities) should be a part of their individual performance evaluation.

Because HR processes have a strong influence on the conduct, views and performance of employees, linking PM operations to HR processes in this way increases the likelihood that the PM program will be successful and ultimately that organizational goals and targets will be achieved. Moreover, because HR processes are an important and enduring component of an organization, this linkage helps ensure that evidence-based decision-making is institutionalized and sustained over time as the way the organization conducts its business.

Select activities and examples for addressing the Connect to HR CSF in the Operation Phase are included in the table below.

CSF Activities	Examples
Link success of PM program related efforts to HR personnel evaluation process (where applicable)	Link goal owner evaluations to: achieving their assigned goal; how well they present/explain performance data at accountability meetings; and, their success at finding problems and recommending and executing corrective activities.
For staff participating in the Operation Phase PM activities, link their contributions to their individual appraisal processes	Assess participating personnel on their contributions to their assigned PM activities, such as: data analysis, data reporting; or, tracking and managing actions.

## Link to Budget

Addressing the Link to Budget CSF in the Operation Phase entails aligning budget proposals with needs for successfully achieving organizational goals and targets and for conducting Operation Phase activities, and providing performance information for consideration in budget deliberations.

Costs for achieving goals and targets should be available to budget officials, so they can consider them in developing the budget. Information on the expected costs of Operation Phase activities should also be available to officials during budget deliberations. Ideally, budgets should be aligned with both these costs.

In addition, performance results should also be made available, so they can be considered in budget decision-making. For example, if results show performance in a certain area is failing, budget officials may decide to increase the budget to address problems, or reduce it if results show the policy or program approach is shown faulty.

For example, if a data collection process requires hiring technical experts to develop routines for extracting data from source systems, the budget should be developed in consideration of those costs, and the needed funds provided if possible.

Select activities and examples for addressing the Link to Budget CSF in the Operation Phase are included in the table below.

CSF Activities	Examples
Budget deliberations consider resources needed for achieving organizational goals and targets	Budget officials consider resources needed to achieve goals and targets and provide additional funds for actions that require significant additional staff
Budget deliberations consider resources needed for conducting Operation Phase activities	Budget includes resources for: technical experts to extract data from source systems; the conduct of training; creating PM transparency website to publish performance data
Budget deliberations consider performance results	Budget officials increase funding to address problems in program identified by performance results; funds are reallocated from areas where performance results show goals and targets have been achieved to areas of greater need

## Public Engagement/ Transparency

Addressing the Public Engagement/Transparency CSF in the Operation Phase entails ensuring that the public and stakeholders are provided accurate, timely and easily accessible information about an organization's performance, creating the opportunity for more meaningful engagement. It also includes ensuring that during the Operation Phase information is regularly disclosed - not just about successes - but also about what the problems are and what is being done to fix them. Public engagement and transparency is critical to generating support for policy objectives, maintaining the PM program long-term, and promoting trust in government.

Because activities that address the Public Engagement/Transparency CSF in the Operation Phase apply to almost every step of the Phase, each step should be executed in consideration of its potential impact on public engagement and transparency. Dashboards and performance reports should be published providing useful,

understandable and easily available performance information (e.g., showing where problems lie and what is being done to address them) so the public is informed and meaningful engagement with government is enhanced.

Data collection, transformation and analysis activities should ensure that the data published reflects actual performance, is timely, and accurate. When conducting public accountability meetings, the public should be informed about meeting times through the most effective channels, and opportunities for public participation in such sessions should be offered.

Select activities and examples for addressing the Public Engagement/Transparency CSF in the Operation Phase are included in the table below.

CSF Activities	Examples
Ensures the organization's performance reports are broadly disseminated	Publication of reports on the organization's website; briefings for interest groups, legislators and members of the media
Conduct public accountability meeting in a manner conducive to public engagement	Hold meetings at regular intervals at convenient locations; broadly publicize the meetings and invite the public and stakeholders to attend, present their points of view and engage in discussions
Brief key stakeholders (e.g., legislators, program interest groups, etc.) on public performance reports	Develop and present key highlights from performance reports

## 5. EVALUATION PHASE

This chapter guides you through the fourth and final phase of the Performance Management (PM) Life Cycle, the Evaluation Phase. It describes and explains steps for:

- Periodic review and update of your organization's Strategic Plan
- Periodic review and improvement of your organization's PM Program

### EVALUATION PHASE AT-A-GLANCE

The objective of the Evaluation Phase is to ensure that after a period of time your organization conducts a more thorough assessment of progress against your strategic plan, looking at longer-term data trends and determining whether new goals, sub-goals and policy actions should be taken. It also supports the periodic review, assessment and improvement of your organization's PM Program, looking at what has worked and what could be done better in conducting your program.

The toolkit defines the Evaluation Phase as the stage where an organization conducts periodic assessments and improvements to its strategic plan and the PM program.

The steps of the Evaluation Phase are summarized below; detailed explanations of the steps are provided in the "step-by-step" guide that follows. The steps are:

1. **Refresh and revise the Strategic Plan** at regular intervals to ensure that it reflects the insights and conclusions derived over time from analysis and evaluation of performance data and policy and priority shifts affecting your organization.
2. **Perform periodic PM Program Diagnostic Assessments** to ensure the PM program is operating effectively, to identify problems impeding success of the program and make corrections and adjustments as needed.

#### WHAT'S INSIDE

An executive overview of the PM Evaluation Phase

A step-by-step guide to executing Evaluation Phase activities

Guidance for addressing Evaluation Phase Critical Success Factors

A diagnostic tool for evaluating your PM Program

FIGURE 5-1 PM Life Cycle

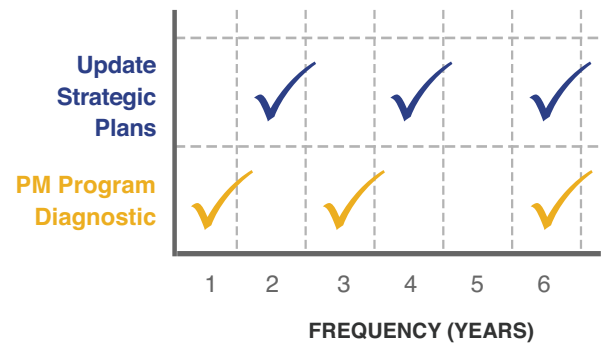


## STEP-BY-STEP GUIDE

Although the toolkit presents the Evaluation Phase as a distinct Phase, evaluation of overall performance should be conducted at critical junctions in your policy or operational lifecycle (e.g., at the end of a fiscal year, after major policies or operational changes have been completed or been running for a long period of time, after a change in leadership, etc.). Ideally, the frequency for each type of Evaluation Phase review (i.e., Strategic Plan Refresh and PM Program Assessment) should be determined when you first begin to implement your Plan or Program and based around your organization's policy and delivery timetable. It is recommended that organizations assess and update strategic plans and PM programs every two years – but the timing should be dependent on the nature of your organization's work and the fluidity of its policy environment.

The steps described below guide you through the details about how to evaluate and update your organization's Strategic Plan and how to evaluate and improve your organization's PM Program.

FIGURE 5-2 Evaluation Frequency



### Step 1: Refresh and Revise Strategic Plan

In this step, you refresh your organization's Strategic Plan, including its goals, sub-goals and their related measures and actions, to reflect changes in policy or operational conditions and also lessons learned from performance results over time.<sup>1</sup> It calls for taking a step back and conducting a thorough examination of accumulated long-term evidence to determine what, if any, changes are needed to your organization's strategic goals and to the policies underlying them.

This review assesses what is going on and where things are headed, evaluating whether you are fundamentally on-track or off-course in delivering your overall goals and sub-goals. For example, the assessment may show that a fundamental policy underlying a portion of the strategic plan is not achieving the desired results, and therefore may need to be reconsidered and possibly revised. Conversely, the review may show that a policy is working and that goals and their related targets are being achieved. Based on these determinations, you may decide to prioritize new areas where performance was not as strong. For example, the evidence may show a strategic goal may need to be revised, certain actions modified and new measures created or existing ones altered. Targets may also need to be adjusted based on whether they have been achieved, how easily that happened and what the baseline information suggests future performance should be set against.

If this assessment leads to changes, those changes may in turn require a series of modifications in other steps or sub-steps of the Strategy, Implementation and / or Operation Phase. For example, if a revised vision or new goal is developed, the steps of the strategy phase should be repeated to:

- Identify related sub-goals
- Identify actions for achieving sub-goals
- Develop new measures and targets

These revisions may, in turn, require changes related to Implementation Phase steps (e.g. assigning accountability for new goals, identifying data sources for new measures, revising dashboards to reflect new goals, developing a technical workaround, etc.) and changes to Operation Phase activities (e.g., executing new data extraction routines and populating

<sup>1</sup> In addition to your organization's top level strategic plan, this refreshment also may include the strategic plans of each sub-unit of your organization where PM is being deployed.



dashboard with new measure data). Often, what comes out this strategic review step is essentially a new strategic plan and once complete, the further Phases of the PM Lifecycle should be followed accordingly.

## Refresh and Revise Strategic Plan Sub-Steps

This step includes the following sub-steps:

1. Determine frequency for Strategic Plan refresh.
2. Periodically review and assess the policies underlying your organization's strategic plan and determine what modifications are needed based on the implications of the long-term evidence base.
3. Periodically review and assess each element of your organization's strategic plan based on the implications drawn from the long-term performance data.
4. Revise strategic plan and underlying policies as needed (e.g., revise goals, sub-goals, actions, measures, targets).
5. Repeat or revise steps and sub-steps of Implementation and Operation Phases as needed (e.g. assign owner for new goal, revise data collection to extract data for new measure, etc.).

## Step 2: Perform Periodic PM Program Diagnostic Assessments

In this step, you periodically execute a diagnostic assessment of your organization's PM Program to determine how well it is functioning and whether improvements are needed. The objective of the diagnostic is to evaluate the use of PM practices, identify problems and take actions to fix them.

The assessment is conducted using two complementary methods. First, top leaders, consider the big picture, looking at the PM program as a whole and perform an assessment of its effectiveness, looking at:

- Whether desired benefits are being achieved
- Whether all parts of the organization are continuing to operate the program
- Examining any well know failures or problems in the operation of the program
- To what extent the program has had an impact in moving the culture of the organization to a focus on performance
- Whether the program has helped improve performance against goals and delivery of key actions.

The second part of the assessment looks at the program specifics; it is a more systematic review of each element of the PM program. This assessment is conducted by having selected leaders, managers and other key personnel fill out a comprehensive questionnaire (provided in Appendix A) on the effectiveness of each key aspect of the PM Program. This survey can help you determine how well your PM program is working: whether the CSFs are being addressed and whether the critical steps in the four phases of the PM Life Cycle are being implemented effectively. This survey addresses issues, such as:

- Whether your top officials actively champion and support the PM initiative
- Whether performance data is regularly being collected and used to manage
- Whether data is analyzed and regularly populated in dashboards and performance reports
- Whether regular accountability meetings are being held

The PM Diagnostic Assessment survey is provided in Appendix A, with a complete list of questions you may use to comprehensively assess all aspects of your PM program. By tabulating the responses from each participant, you can quickly see where they agree on what is working well and where improvement is needed.

## Diagnostic Assessment Sub-Steps

This step includes the following sub-steps (to be repeated every evaluation period):

1. Periodically review and assess your organization's PM program by (1) looking at the program as a whole, to identify major problems and (2) periodically performing a systematic review and assessment of the specifics of the PM program by having selected PM program team members fill out a survey providing their views on each element of the PM program.
2. Using information from this two assessments, draw conclusions about the health of your PM program.
3. Identify actions needed to address problems and improve the PM program as indicated by the assessments.
4. Track and manage modifications to ensure problems are addressed.

## EVALUATION PHASE CRITICAL SUCCESS FACTORS

This section describes a range of activities that can be undertaken to address the Critical Success Factors (CSFs) previously described in the Critical Success Factor chapter as they relate to the Evaluation Phase of the PM Life Cycle. The described activities and examples below are not all encompassing but rather represent a sampling of suggested activities your organization should consider taking in support of Evaluation Phase efforts.

### Leadership

Addressing the Leadership CSF during the Evaluation Phase entails executives and managers leading efforts to refresh their organization's strategic plan at regular intervals and being personally involved in periodic evaluation and improvement of PM practices. Examples of activities that address the Leadership CSF during the Evaluation Phase include:

- Ensuring leadership plays a major role in reviewing and assessing Strategic Plan and PM program.
- Ensuring changes to policies, the strategic plan and corresponding changes in other phases (e.g., assignment of an owner for a new goal) are communicated organization-wide through messages in the organization's newsletter or other internal communications vehicles
- Ensuring key personnel (e.g., PM lead, goal owners) are briefed on new directions and changes determined
- Ensuring leadership encourages / directs the appropriate personnel to fill out diagnostic assessments
- Ensuring findings from evaluations and related planned improvements or changes are fully communicated throughout the organization

Select activities and examples for addressing the Leadership CSF in the Evaluation Phase are included in the table below.

CSF Activities	Examples
Leadership demonstrates long-term commitment to the PM program by personal involvement in refreshing and revising the strategic plan and underlying policies	Leadership: convenes and leads key meetings and plays a major role in assessing underlying policies and refreshing Strategic Plan; communicates changes to policies and strategic plan and corresponding changes in other phases (e.g., assignment of an owner for a new goal) through messages in the organization's newsletter or other internal communications vehicles; personally briefs key personnel (e.g., goal owners) on new directions and changes
Leadership demonstrates long-term commitment to the PM program by personal involvement in periodic PM Program evaluation and improvement using diagnostic assessments	Leadership: encourages / directs appropriate personnel to fill out diagnostic assessments surveys; ensures findings from evaluations and related planned improvements or changes are fully communicated throughout the organization; ensures recommended improvements or changes are executed
Leadership demonstrates support for and launches the PM initiative	Leadership convenes initial PM planning meetings, determines the launch date for the initiative, and identifies the people and organizational units to be involved
Leadership articulates the reasons for and importance of reviewing and revising strategic plan	Leadership formally announces the start of the Strategic Plan refresh, describing the process, timeline and results desired
Leadership heads up early-stage strategic plan revision processes and has a central role in the review and revision of the organization's mission, vision, top goals and targets	Leadership convenes mission, vision, goals and target-setting meetings; leadership articulates what long term evidence from results indicate about current goals and underlying policies, and what changes might be needed; Leadership articulates new vision if applicable, and leads decisions on revisions to goals and targets, adopting new goals, or reprioritizing efforts if some goals have been achieved;
Leadership ensures all elements of the new strategic plan are disseminated, as they are developed, to the larger organization	Leadership publishes new strategic plan on organizational website in an easy to understand and accessible format; leadership presents overview of new strategic plan and its importance in series of forums to all areas of the organization and external audiences responding to questions and concerns
Leadership ensures CSFs are addressed any revisions to the Strategic Plan	Leadership is personally involved in other CSF activities as needed: finding resources for new goals; leading communications and celebration of success activities around development of the new strategic plan; encouraging participation and collaborative decision-making in the review and refresh process; linking any new goals and targets to key processes and, ensuring the strategic planning review and refresh process is transparent and open

## Resources/Staffing

Addressing the Resources / Staffing CSF in the Implementation Phase entails committing sufficient personnel with appropriate skills and other resources to effectively conduct Evaluation Phase assessments and implement any recommended changes. Activities that address the Resources / Staffing CSF during the Evaluation Phase include ensuring sufficient staff and skills and other resources as needed are made available to:

- Periodically review and assess your organization's strategic plan and its underlying policies, determine what modifications are needed and revise policies and strategic plan and corresponding steps and sub-steps (e.g., reallocate personnel to achieve a new goal, provide technical resources to extract data for a new measure, etc.)
- Periodically perform a PM program diagnostic, draw conclusions and make modifications or improvements to the PM Program as indicated by diagnostic findings (e.g., ensure appropriate skills to improve analysis of performance data)

Select activities and examples for addressing the Resources/ Staffing CSF in the Evaluation Phase are included in the table below.

CSF Activities	Examples
Ensure sufficient staff and other resources are made available to periodically review and assess your organization's strategic plan and its underlying policies, determine what modifications are needed and revise policies and Strategic Plan and corresponding steps and sub-steps	Reallocate personnel to undertake new goal created by policy revision or to reprioritize efforts due to achievement of existing goals and targets; provide technical staff or resources to develop needed new routine to extract data for new measure from its source system
Ensure sufficient staff and other resources are made available to periodically perform a PM Program diagnostic, draw conclusions and make recommendations, and implement modifications or improvements to the PM Program as indicated by diagnostic findings	Provide resources to implement recommendations from diagnostic findings (e.g., to improve analysis of performance data included in dashboards and performance reports)
Identify and provide needed resources for Implementation and Operation phase activities resulting from changes to the Strategic Plan	Move existing resources or obtain new resources as required to staff and fund activities relating to a new goal stemming from the Strategic Plan review and refresh process

## Training

Addressing the Training CSF during the Evaluation Phase entails ensuring that personnel receive the training they need, appropriate to their roles, to perform the assessments and evaluations and execute the changes and improvements related to the Evaluation Phase. Activities that address the Training CSF during the Evaluation Phase might include:

- Training on goal development as might be necessitated if Evaluation Phase activities result in the creation of a new policy or revised vision
- Training to shore up weaknesses identified by the PM program diagnostic (e.g., training on data analysis)

Select activities and examples for addressing the Training CSF in the Evaluation Phase are included in the table below.

CSF Activities	Examples
Training is developed and provided as needed based on Evaluation Phase revisions to the Strategic Plan	Training on goal development is provided to facilitate development of new goals corresponding to a new policy or revised vision developed in the Evaluation Phase
Training is provided to shore up weaknesses identified by the PM Program Diagnostic Assessment	PM Program Diagnostic Assessment finds examples of misleading and inaccurate data in performance reports and dashboards due to a lack of data transformation and analysis skills. As a result, data analysis training is developed and provided to all personnel with responsibility for transforming or analyzing performance data

## Communication

Addressing the Communication CSF during the Evaluation Phase entails ensuring that key messages are developed and delivered to internal audiences, stakeholders and the public. Communication is vital during the Evaluation Phase because this is when an organization will:

- Reset its strategic plan or underlying policies
- Make changes relating to other phases, steps and sub-steps
- Make modifications or improvements to PM practices.

Because of the potential significance of these changes, internal and external audiences will want / need to know about them. With good communication, internal personnel, stakeholders and the public will feel well informed about any potential changes and understand how they might affect their responsibilities or areas of concern.

Activities that address the Communication CSF during the Evaluation Phase might include:

- Providing information to internal personnel about important changes to your organization's Strategic Plan, its underlying policies or key changes to the PM Program that they will need to do their jobs (e.g., communicate that a new goal, measure and target has been developed as a result of a revised vision so personnel can align their efforts accordingly)
- Providing information to stakeholders and the public about important changes to your organization's Strategic Plan or its underlying policies or key changes to the PM Program that they may care about (e.g., communicate that personnel will be reassigned to other priorities due to the achievement of a key goal / target)
- Providing open channels of communication for internal personnel, stakeholders and the public to voice their suggestions and concerns about changes to the Strategic Plan or policies or changes to the PM Program (e.g., hold public meeting where all external audiences may present their points of view and discuss their concerns with organizational leadership; hold internal meetings to obtain feedback from personnel)
- Providing a means for the organization to respond to issues raised about any potential changes from all audiences (e.g., include organization's response to key questions and concerns in a newsletter emailed internally and published on website)

Select activities and examples for addressing the Communication CSF in the Evaluation Phase are included in the table below.

CSF Activities	Examples
Provide information to internal personnel about changes to your organization's Strategic Plan or its underlying policies or changes to the PM Program that they will need to do their jobs	Communicate that a new goal, measure and target has been developed as a result of a revised vision so personnel can align their efforts accordingly; communicate changes to data analysis to be implemented as recommended in PM Program Diagnostic
Provide information to stakeholders and the public on important changes to your organization's Strategic Plan or its underlying policies or key changes to the PM Program	Communicate on public website that: a new goal, measure and target have been developed in response to a revised vision statement and, corresponding changes have been made to Strategy, Implementation and Operation Phase activities (e.g., a new person has been assigned accountability for new goal, new data collection and data analysis activities for new goal implemented)
Provide open channels of communication for internal personnel, stakeholders and the public to voice their suggestions and concerns about changes to the Strategic Plan or its underlying policies or changes to the PM Program	Hold public meeting where all external audiences may present their points of view and discuss their concerns with organizational leadership; hold internal meetings to obtain feedback from internal personnel
Provide a means for the organization to respond to issues raised about any potential changes from all audiences	Include organization's response to key questions and concerns in a newsletter emailed internally and published on public website

## Celebration of Success

Celebration of Success during the Evaluation Phase entails ensuring that as Evaluation Phase assessments are conducted and recommended changes are implemented (e.g., to the organization's strategic plan, underlying policies or the PM Program) individuals and the organization as a whole are recognized for their contributions. This includes:

- Celebrating Evaluation Phase successes as they are achieved, such as describing how a new goal, measure and target will help achieve the revised organizational vision
- Taking time to recognize those individuals who have made outstanding contributions regarding Evaluation Phase steps, (e.g., for identifying problems in data analysis that were causing misleading information to be included in dashboards and reports)
- Disseminating best practices across the organization identified in the Evaluation Phase (e.g., effective data analysis practices that resolve problems caused by data outliers and data gaps)

Select activities and examples for addressing Celebration of Success in the Evaluation Phase are included in the table below.

CSF Activities	Examples
Highlight Evaluation Phase successes as they are achieved	Publicize progress as each Evaluation Phase step is completed; citing changes to policies or the organization's Strategic Plan or modifications to PM practices, describing their importance and implications for other phases (e.g., describe new goal, measure and target and how that will help achieve revised organizational vision; cite improvements to be made to tracking and managing actions)
Recognize individual contributions to Evaluation Phase achievements	Publicly recognize individuals in meetings, all-hands email or organization's newsletter for their contributions to Evaluation Phase steps, such as for identifying problems in data analysis leading to misleading information in dashboards and reports
Disseminate best practices developed in the Evaluation phase	Disseminate explanation of data analysis problems (e.g. including data outliers in averages) identified in Evaluation Phase and provide examples of correct process to all data analysts; include explanation of the problem and correct process in data analysis training

## Participation

Addressing Participation during the Evaluation Phase entails actively involving a broad spectrum of personnel across your organization in evaluation activities.

Examples of activities that address the Participation CSF in the Evaluation Phase might include: ensuring all leaders and managers and all personnel with PM responsibilities are involved in the PM Program Diagnostic Assessment (e.g., they answer survey questions); ensuring broad participation in efforts to refresh and revise your organization's Strategic Plan.

Select activities and examples for addressing Participation in the Evaluation Phase are included in the table below.

CSF Activities	Examples
Ensure broad participation in efforts to refresh and revise your organization's Strategic Plan	Ensure a representative footprint is involved in the Strategic Plan revisions, including all levels of the organization and all major components (e.g., agencies, divisions, units etc.)
Ensure that all leaders and managers and all personnel at any level with PM responsibilities are involved in the PM Program Diagnostic Assessment	Require all to answer survey questions; provide a means for them to discuss their views and recommendations

## Connect to HR

Addressing the Connect to HR CSF in the Evaluation Phase entails integrating key Evaluation Phase activities into the personnel appraisal process. For example, for those participating in Evaluation Phase activities, their contributions to the objectives of the Evaluation Phase (e.g. revising or reprioritizing goals based on long-term performance data) should be a part of their individual performance evaluation.

Because HR processes have a strong influence on the conduct, views and performance of employees, linking PM activities to HR processes in this way increases the likelihood that the PM program will be successful and ultimately that organizational goals and targets will be achieved. Moreover, because HR processes are an important and enduring component of an organization, this linkage helps ensure that evidence-based decision-making is institutionalized and sustained over time as the way the organization conducts its business.

Select activities and examples for addressing the Connect to HR CSF in the Evaluation Phase are included in the table below.

CSF Activities	Examples
Ensure changes in policy or goals are reflected in personnel evaluations	New goal from Strategic Plan review and refresh process is reflected in the personnel evaluations of relevant personnel
For personnel participating in the Evaluation Phase activities, link their contributions to Evaluation Phase results to their individual appraisal processes	For those involved in revising or reprioritizing goals based on long-term performance data, link their contributions to those activities to their individual performance evaluations

## Link to Budget

Addressing the Link to Budget CSF in the Evaluation Phase entails aligning budget proposals with resource requirements resulting from Evaluation Phase activities such as changes resulting from refreshing the Strategic Plan (i.e. new goals, measures and targets). The Evaluation Phase is a critical time to link budget decision-making with the results of the long-term assessments, conclusions and recommended changes resulting from the Evaluation Phase. The conduct of performance assessments should be aligned with major budget timelines so that the long-term evidence and conclusions of these assessments, and any recommendations for new or refreshed goals can be factored into budget deliberations and proposals. For example, if results show performance in one goal area exceeding targets significantly but another area underperforming, they may consider shifting financial resources to the area in greatest need.

Additionally, the recommendations for modifications and improvements stemming from the PM Program Diagnostic Assessment should inform internal budget deliberations. For example, the diagnostic may have found weaknesses in certain areas of your PM program and therefore more resources could be needed to:

- Develop and conduct additional training to shore up weaknesses in data analysis and transformation (identified by the PM Program Diagnostic Assessment)
- Hire technical experts to resolve data extraction problems so performance data relating to a new goal can be obtained
- Improve project management related to tracking and managing actions

The budget should be developed in consideration of those costs, and the needed funds provided if possible. Including funds for Evaluation Phase improvements and changes will increase the likelihood they will be effective. That, in turn, will increase the chance for success of the PM program, and ultimately of achieving your organization's vision, goals and targets.

Select activities and examples for addressing the Link to Budget CSF in the Evaluation Phase are included in the table below.

CSF Activities	Examples
Align Evaluation Phase assessments, conclusions and recommendations with budget calendar and decision making	Ensure the Strategic Plan revisions are completed in time for the long term evidence, conclusions and recommendations - and any new goals, sub-goals, and targets - to be considered in major budget deliberations; make presentations to budget officials on new strategic plan, and any new goals etc. in advance of budget process
Information on Evaluation Phase improvements and changes should be provided to and considered by budget decision makers and funding should be provided as possible	Budget includes resources for hiring technical experts to develop routines for extracting data from source systems relating to new goal developed during the "Refresh Strategic Plan" Evaluation Phase activities



## Public Engagement/ Transparency

Addressing the Public Engagement/Transparency CSF in the Evaluation Phase entails ensuring that reviews, assessments and recommendations for modifications and changes, developed as part of Evaluation Phase activities, are made available to internal personnel, the public and stakeholders in a timely, accurate, easily accessible and understandable manner.

It also includes disclosing information not just about successes, but also about what problems Evaluation Phase activities uncover (i.e., where the problems are, where the responsibility lies and what is being done to fix them).

Because modifications to PM practices or changes to the Strategic Plan made during Evaluation Phase can have far-reaching impacts downstream (e.g., requiring corresponding changes in other phases, steps and sub-steps), you should consider the Public Engagement / Transparency impacts as each Step and Sub-step is executed.

For example, if a new goal is developed as a result of the refreshing of the Strategic Plan, information should be made available to the public and stakeholders on:

- The goal, its sub-goals, actions, measures and targets, and
- Corresponding changes in other phases, steps and sub-steps of the PM Life Cycle (e.g., assigning a new goal owner to be accountable for achieving the goal)

Similarly, if the assessment of the PM Program identifies problems (e.g., misleading data in dashboards and reports due to deficient data transformation and analysis), those problems should be disclosed along with the recommendations and actions being taken to resolve them.

Select activities and examples for addressing the Public Engagement / Transparency CSF in the Evaluation Phase are included in the table below.

CSF Activities	Examples
Ensure reviews, assessments and recommendations for modifications and changes, developed as part of Evaluation Phase activities, are made available to the public and stakeholders in a timely, accurate, easily accessible and understandable manner.	For each new goal developed as a result of the refreshing of the Strategic Plan, provide information to the public and stakeholders on: the goal, its sub-goals, actions, measures and targets; and, corresponding changes in other phases, steps and sub-steps of the PM Life Cycle (e.g., assigning a new goal owner to be accountable for achieving the new goal)
Disclose information about problems identified by Evaluation Phase activities, including a description of the problems, where they lie, who is accountable and what is being done to fix them.	Publish information about problems with misleading data in dashboards and performance reports due to deficient data transformation and analysis, and include the recommendations and actions being taken to resolve them

# APPENDIX A: PM DIAGNOSTIC ASSESSMENT QUESTIONS

The PM diagnostic is composed of the following questions:

- **Critical Success Factor Questions**

- Do your top officials actively champion and support the PM initiative?
- Do your top officials regularly attend and lead accountability meetings?
- Do your top officials ensure that performance data is used to manage the organization?
- Is the PM program adequately staffed?
- Have you developed and delivered executive and line manager PM training?
- Are you communicating regularly about key PM milestones, practices, events and successes, both internally and externally?
- Do you regularly celebrate PM success stories and recognize individuals for their contributions?
- Does your human resources function support the PM program through training, integration into the personnel appraisal processes or other initiatives?
- Have you linked PM performance information to your organization's budget?
- Have you published performance information in accessible, easy to understand formats?

- **Strategy Phase Questions**

- Has your organization developed a strategic plan?
- Does your strategic plan contain a mission statement that articulates why your organization exists?
- Does your strategic plan contain a vision statement that articulates where your organization wants to go in the future?
- Does your strategic plan contain measurable goals and sub-goals that describe the outcomes you want to achieve?
- Have you established actions related to achieving each goal and sub-goal?
- Have you established measures related to goals and sub-goals?
- Have you established targets for measures where applicable?
- Have you addressed the Critical Success Factors for the Strategy Phase?

- **Implementation Phase Questions**

- Has an "owner" for each goal been assigned accountability for its success?
- Have you established dashboard/performance report standards and formats?
- Have you identified sources for the data you will need for each of your measures; have you developed processes to extract data from the identified sources; have you determined the frequency of data collection; have you documented your data collection processes?
- Have you developed processes to conform data to the quality, form and formats needed for other PM processes (e.g., analysis and reporting); have you documented your data transformation processes?
- Have you identified the analytic techniques you will use to translate your data into intelligence upon which you can make informed decisions and take actions?
- Have you developed your processes for conducting PM accountability meetings?
- Have you developed an approach (scope, timing and sequencing) to cascade your PM program throughout your organization?
- Have you established a project management approach for tracking and managing actions?
- Have you addressed the Critical Success Factors for the Implementation Phase?

- **Operation Phase Questions**

- Are you regularly collecting performance data from source locations at the frequency required and conforming it into the quality, form and format needed?
- Are you regularly analyzing performance data to translate it into intelligence upon which you can make informed decisions and take actions?
- Do you regularly produce and publish performance dashboards and reports providing summary information in an easy to understand format and at the frequencies required to use performance data to manage your organization?
- Do you regularly conduct performance accountability meetings using performance information to find and fix problems and manage your organization?
- Did you execute the PM cascade according to the plans developed and organizational levels determined in the Implementation Phase?
- Are you tracking and managing actions?
- Have you addressed the Critical Success Factors for the Operation Phase?

- **Evaluation Phase Questions**

- Do you refresh and revise your organization's strategic plan at regular intervals to ensure that it reflects the insights and conclusions derived over time from analysis and evaluation of performance data?
- Do you perform periodic PM program diagnostic assessments, making corrections and adjustments as needed?
- Have you addressed the Critical Success Factors for the Evaluation Phase?

## APPENDIX B: GLOSSARY

The following glossary provides definitions for performance management terms used in the toolkit.

<b>Accountability</b>	Individual responsibility for achieving PM goals
<b>Accountability Meetings</b>	Formal sessions in which executives and managers use objective performance data, as reported in dashboards to discuss how they advanced their organization's goals during the previous period, what problems they encountered, and how they will fix those problems during the next period
<b>Actions</b>	Management's detailed game plan –the specific projects, initiatives, programs or activities your organization will undertake to achieve its goals and sub-goals
<b>Baseline</b>	The current quantitative level of performance at which an organization, process, or function is operating
<b>Benchmark</b>	A level of achievement against which organizations can measure their progress against goals as compared to other organizations
<b>Cascade</b>	A means for repeating the steps of the PM Life Cycle throughout each level of the organization

<b>Celebration of Success CSF</b>	A critical success factor in which you broadly celebrate PM achievements across the organization, disseminate best practices and recognize individual achievement
<b>Communication CSF</b>	A critical success factor that entails (1) ensuring that key messages are developed and delivered to personnel, the public and key stakeholders so they understand what is going on, what they need to do and what they can expect, and, (2) providing open channels of communication so they can voice their suggestions and concerns and the organization can respond to the issues raised
<b>Connect to Human Resources CSF</b>	A critical success factor that defines the requirements for involving the HR function for PM training and the integration of strategic plan goals, sub-goals, actions and measures with individual HR process goals and measures
<b>Continuous improvement</b>	An ongoing effort to increase an organization's approach to manage performance, motivate improvement, and capture lessons learned
<b>Critical Success Factors</b>	Factors that have a direct and acute impact on the success and sustainability of the PM program
<b>Dashboard</b>	A visual display that summarizes performance data for goals and sub-goals. Dashboards are distinguished by color-coded designations (e.g., green, yellow and red) to display the status of goals relative to their targets
<b>Data Analysis</b>	A process for converting raw data into intelligence upon which you can make decisions
<b>Data Collection</b>	A process for (1) finding a source for obtaining the data and (2) figuring out and documenting how you will gather it on a regular basis
<b>Data Reporting</b>	The act of compiling and disseminating dashboards and performance reports which depict, describe and explain performance against goals and their targets
<b>Data Transformation</b>	The conversion of information or raw data into the form, format and quality you need to use it to manage your organization and present it to the public
<b>Evaluation CSF</b>	An assessment, through objective measurement and systematic analysis, of the manner and extent to which goals are achieved
<b>Evaluation Phase</b>	The stage where an organization conducts periodic assessments and improvements to its strategic plan and the PM program
<b>Goals</b>	The measurable outcomes you seek to achieve
<b>Goal Owner</b>	Individual responsible for on-going measure administration and reporting for a PM goal
<b>Implementation Phase</b>	The stage where you develop the processes and make decisions for effectively executing your PM program

<b>Input</b>	The resources an organization invests in a program, such as time, people, money, materials, equipment, and technology
<b>Leadership CSF</b>	A critical success factor that defines the responsibilities of executives and managers to demonstrate commitment, communicate progress, celebrate success and recognize individual effort in a PM program
<b>Link to the Budget CSF</b>	A critical success factor that defines the requirements for mapping performance information to program budget initiatives
<b>MassResults</b>	The name of a program to establish a comprehensive performance management capability in Commonwealth of Massachusetts government secretariats and agencies down to the program level
<b>Measures</b>	Quantifiable indicators, usually numeric, that show whether and to what extent you are achieving your goals, sub-goals and actions
<b>Milestones</b>	A set of specific deadlines or hurdles that signal progress in completing an initiative, including progress/completion dates or percent completion rates and key decision points
<b>Mission</b>	A declaration of organizational purpose that describes who the agency is, why it exists and whom it serves
<b>Mission Statement</b>	A mission statement defines the core purpose of the organization - why it exists in words that are inspiring, long-term in nature, and easily understood and communicated
<b>Operation Phase</b>	The stage where you execute required PM practices on a regular basis to generate performance information and use it to evaluate progress, inform decision-making, and manage towards achieving your organization's goals and targets
<b>Outcome</b>	The result of a program, service, set of activities, or strategy; used to describe the impacts, what was done
<b>Outputs</b>	Units of a product or service produced through activities and programs
<b>Participation CSF</b>	A critical success factor that defines the requirements to involve as many people as possible in the PM program to increase understand of PM process and create a sense of shared purpose in all phases of the PM Life Cycle
<b>Performance Management</b>	An ongoing, systematic effort to improve results by using evidence about the outcomes of programs to inform management decisions, drive strategy development and continuously improve efficiency and effectiveness
<b>Performance Report</b>	A document that includes one or more dashboards and graphical representations of data as well as comprehensive performance information about goals, sub-goals and actions and their measures and targets

<b>PM Diagnostic</b>	A tool for evaluating how well an organizations PM program functioning and making improvements as needed
<b>PM Planning Team</b>	A core group of executives and managers that oversees PM strategy development and implementation
<b>Process</b>	An ongoing, recurring, and systematic series of actions or operations whereby an input is transformed into a desired outcome or output
<b>Program</b>	A related set of activities that lead to a common purpose, objective or service
<b>Program Budgeting</b>	The practice of developing budgets by program (rather than for example by line item)
<b>Performance Based Program Budgeting</b>	The practice of developing budgets by program (rather than for example by line item) while at the same time providing or linking information about the prior or expected results of the program to the cost of the program
<b>Public Engagement and Transparency CSF</b>	A critical success factor that defines the requirements for making useful and understandable performance information easily available to the public, and enhancing public trust in government through greater openness and accountability about government performance
<b>Resources/Staffing CSF</b>	A critical success factor that defines the requirements to provide adequate resources and / or staff to perform the work required in its PM strategy and to plan for and execute all phases of the PM Life Cycle
<b>Strategic Plan</b>	A document that describes: (1) the outcomes your organization wants to achieve, (2) the actions it will take to achieve them, and (3) and how it will measure success
<b>Strategy Phase</b>	The first phase of the PM Life Cycle; the mechanism for determining the outcomes an organization wants to achieve, how it will achieve them and how it will objectively measure success
<b>Sub-Goals</b>	Supporting outcomes related to achieving a specific goal
<b>Targets</b>	The quantifiable amount or degree of improvement desired against a goal, sub-goal, or action over a specified period of time, usually a year
<b>Vision</b>	An aspirational description of where the organization wants to be in the long-term, its ideal future state in relation to those it serves

## APPENDIX C: ONLINE RESOURCES

The following table displays online performance management resources collected during the course of research for the PM Toolkit. Included are examples of PM strategic plans, PM dashboards, PM reports, white papers and other documents on performance management from both government and non-government organizations and subject-matter experts.

State Government	Link
California Department of Transportation <b>Performance Reports</b>	<a href="http://www.dot.ca.gov/perf/">http://www.dot.ca.gov/perf/</a>
Commonwealth of Massachusetts <b>MassResults Website</b>	<a href="http://www.mass.gov/informedma/massresults/">http://www.mass.gov/informedma/massresults/</a>
Commonwealth of Virginia: <b>Virginia Performs Website</b>	<a href="http://www.vaperforms.virginia.gov/">http://www.vaperforms.virginia.gov/</a>
State of Alabama <b>Open Alabama Website</b>	<a href="http://open.alabama.gov/">http://open.alabama.gov/</a>
State of Alaska Department of Health and Social Services <b>Mental Health Dashboard</b>	<a href="http://dhss.alaska.gov/dph/HealthPlanning/Documents/scorecard/assets/scorecard.pdf">http://dhss.alaska.gov/dph/HealthPlanning/Documents/scorecard/assets/scorecard.pdf</a>
State of California <b>Performance Review</b>	<a href="http://cpr.ca.gov/cpr_report/">http://cpr.ca.gov/cpr_report/</a>
State of Georgia <b>Performance Management Website</b>	<a href="http://team.georgia.gov/performance/">http://team.georgia.gov/performance/</a>
State of Indiana <b>Performance Management Website</b>	<a href="http://www.in.gov/spd/2394.htm">http://www.in.gov/spd/2394.htm</a>
State of Iowa <b>Iowa Performance Plans</b>	<a href="http://www.dom.state.ia.us/planning_performance/plans_reports/plans.html">http://www.dom.state.ia.us/planning_performance/plans_reports/plans.html</a>
State of Kentucky <b>Transparency Portal</b>	<a href="http://opendoor.ky.gov/Pages/default.aspx">http://opendoor.ky.gov/Pages/default.aspx</a>
State of Louisiana: <b>Louisiana PM Website</b>	<a href="http://wwwprd.doa.louisiana.gov/lapas/public/index.cfm">http://wwwprd.doa.louisiana.gov/lapas/public/index.cfm</a>
State of Maryland <b>Annual Performance Report</b>	<a href="http://www.dbm.maryland.gov/agencies/Pages/MFRPerformanceReport.aspx">http://www.dbm.maryland.gov/agencies/Pages/MFRPerformanceReport.aspx</a>

State of Michigan <b>Performance management website</b>	<a href="http://www.michigan.gov/midashboard">http://www.michigan.gov/midashboard</a>
State of Minnesota <b>MnDOT Performance Management</b>	<a href="http://www.dot.state.mn.us/measures/">http://www.dot.state.mn.us/measures/</a>
State of New Hampshire <b>Department of Transportation Scorecard</b>	<a href="http://www.nh.gov/dot/org/commissioner/balanced-scorecard/department/index.htm">http://www.nh.gov/dot/org/commissioner/balanced-scorecard/department/index.htm</a>
State of New Jersey <b>Transparency Center Portal</b>	<a href="http://www.yourmoney.nj.gov/">http://www.yourmoney.nj.gov/</a>
State of New York Office of Mental Health <b>Balanced Scorecard</b>	<a href="http://bi.omh.ny.gov/scorecard/index">http://bi.omh.ny.gov/scorecard/index</a>
State of New York Office of General Services <b>Strategic Plan</b>	<a href="http://ogs.ny.gov/About/Org/Docs/GoalsObjectivesStrategies.pdf">http://ogs.ny.gov/About/Org/Docs/GoalsObjectivesStrategies.pdf</a>
State of North Carolina <b>Office of State Budget and Management</b>	<a href="http://www.osbm.state.nc.us/ncosbm/management/strategic/perform_mgt.shtm">http://www.osbm.state.nc.us/ncosbm/management/strategic/perform_mgt.shtm</a>
State of Ohio <b>Lean Ohio Results</b>	<a href="http://lean.ohio.gov/Results.aspx">http://lean.ohio.gov/Results.aspx</a>
State of Ohio <b>ODJFS Scorecard</b>	<a href="http://jfs.ohio.gov/PerformanceCenter/HowAreWeDoing/ODJFS_scorecard.pdf">http://jfs.ohio.gov/PerformanceCenter/HowAreWeDoing/ODJFS_scorecard.pdf</a>
State of Oregon <b>Performance Measurement</b>	<a href="http://www.oregon.gov/ODOT/CS/PERFORMANCE/Pages/index.aspx">http://www.oregon.gov/ODOT/CS/PERFORMANCE/Pages/index.aspx</a>
State of Oregon <b>Performance Dashboard</b>	<a href="http://www.oregon.gov/ODOT/CS/PERFORMANCE/Pages/index.aspx">http://www.oregon.gov/ODOT/CS/PERFORMANCE/Pages/index.aspx</a>
State of Pennsylvania <b>State Performance Report</b>	<a href="http://www.budget.state.pa.us/portal/server.pt/community/performance_reports/4677">http://www.budget.state.pa.us/portal/server.pt/community/performance_reports/4677</a>
State of Texas Workforce Commission <b>Strategic Plan</b>	<a href="http://www.twc.state.tx.us/boards/board_plan/strat_planning.pdf">http://www.twc.state.tx.us/boards/board_plan/strat_planning.pdf</a>
State of Utah <b>Performance Management Website</b>	<a href="http://performance.utah.gov/agency_performance.shtml">http://performance.utah.gov/agency_performance.shtml</a>



State of Virginia <b>Virginia Performs Website</b>	<a href="http://www.vaperforms.virginia.gov/">http://www.vaperforms.virginia.gov/</a>
State of Washington <b>Accountability &amp; Performance Website</b>	<a href="http://www.accountability.wa.gov/">http://www.accountability.wa.gov/</a>
State of Washington Department of Transportation <b>Accountability Report</b>	<a href="http://www.wsdot.wa.gov/accountability/publications/library.htm">http://www.wsdot.wa.gov/accountability/publications/library.htm</a>
State of Wisconsin <b>Wisconsin DOT PM</b>	<a href="http://www.dot.wisconsin.gov/about/tfp/docs/mtg3-performance.pdf">http://www.dot.wisconsin.gov/about/tfp/docs/mtg3-performance.pdf</a>
<b>Local Government</b>	
City of Baltimore <b>CitiStat Website</b>	<a href="http://www.baltimorecity.gov/Government/AgenciesDepartments/CitiStat.aspx">http://www.baltimorecity.gov/Government/AgenciesDepartments/CitiStat.aspx</a>
City of Boston <b>Performance Website</b>	<a href="http://www.cityofboston.gov/bar/home.asp">http://www.cityofboston.gov/bar/home.asp</a>
City of Fort Collins CO <b>Performance Website</b>	<a href="http://www.fcgov.com/communications/scorecard.php">http://www.fcgov.com/communications/scorecard.php</a>
City of Newton MA <b>CitiStatWebsite</b>	<a href="http://www.newtonma.gov/gov/executive/citistat/scorecards/dpw.asp">http://www.newtonma.gov/gov/executive/citistat/scorecards/dpw.asp</a>
City of Somerville MA <b>Performance Scorecards</b>	<a href="https://data.somervillema.gov/dataset/Somerville-ACE-Program-Scorecard/sebz-uihb">https://data.somervillema.gov/dataset/Somerville-ACE-Program-Scorecard/sebz-uihb</a>
City of Wixom MI <b>Performance Reports and Dashboards</b>	<a href="http://wixomgov.org/index.aspx?nid=1169">http://wixomgov.org/index.aspx?nid=1169</a>
Cook County IL <b>PM website</b>	<a href="http://blog.cookcountygov.com/performance/management/">http://blog.cookcountygov.com/performance/management/</a>
King County WA <b>Performance Reports</b>	<a href="http://www.kingcounty.gov/exec/PSB/CountyStratPlan.aspx">http://www.kingcounty.gov/exec/PSB/CountyStratPlan.aspx</a>
New York City <b>Performance Reports Website</b>	<a href="https://data.cityofnewyork.us/report/pmmr">https://data.cityofnewyork.us/report/pmmr</a>
Penal County AZ <b>Strategy plan and performance reports</b>	<a href="http://pinalcountyaz.gov/Departments/MFR/Pages/StrategicPriorities.aspx">http://pinalcountyaz.gov/Departments/MFR/Pages/StrategicPriorities.aspx</a>

Spotsylvania County VA <b>Balanced Score Card</b>	<a href="http://www.spotsylvania.va.us/content/2614/147/2740/171/823.aspx#Spotsylvania%20County's%20Balanced%20Scorecard">http://www.spotsylvania.va.us/content/2614/147/2740/171/823.aspx#Spotsylvania%20County's%20Balanced%20Scorecard</a>
<b>Federal Government</b>	
Federal Aviation Administration <b>FY 13 2<sup>nd</sup> Quarter Performance Report</b>	<a href="http://www.faa.gov/about/plans_reports/performance/quarter_scorecard/">http://www.faa.gov/about/plans_reports/performance/quarter_scorecard/</a>
Federal OPM.Gov <b>Federal Government Performance Management Overview</b>	<a href="http://www.opm.gov/policy-data-oversight/performance-management/overview-history/">http://www.opm.gov/policy-data-oversight/performance-management/overview-history/</a>
Performance.Gov: <b>Federal government performance management website</b>	<a href="http://www.performance.gov/">http://www.performance.gov/</a>
Tennessee Valley Authority <b>Strategic Sustainability Performance Plan</b>	<a href="http://www.tva.com/environment/sustainability/TVA_Sustainability_Plan_Summary_2012.pdf">http://www.tva.com/environment/sustainability/TVA_Sustainability_Plan_Summary_2012.pdf</a>
U. S. Department of Homeland Security <b>Performance and Accountability Reports</b>	<a href="http://www.dhs.gov/performance-accountability">http://www.dhs.gov/performance-accountability</a>
U. S. Department of Housing and Urban Development <b>Strategic plan and performance reports</b>	<a href="http://portal.hud.gov/hudportal/HUD?src=/program_offices/spm/appr">http://portal.hud.gov/hudportal/HUD?src=/program_offices/spm/appr</a>
U. S. Department of Interior Office of Performance Management: <b>PM strategy and reports</b>	<a href="http://www.doi.gov/pmb/ppp/index.cfm">http://www.doi.gov/pmb/ppp/index.cfm</a>
U. S. Department of Justice <b>Performance Reports</b>	<a href="http://www.justice.gov/about/bpp.htm">http://www.justice.gov/about/bpp.htm</a>
U. S. Department of Labor <b>Performance Strategy Article</b>	<a href="http://www.dol.gov/_sec/stratplan/20120928-DOLPublicManagerArticle.pdf">http://www.dol.gov/_sec/stratplan/20120928-DOLPublicManagerArticle.pdf</a>
U. S. Department of State and U.S. Agency for International Development <b>FY 2007 Joint Performance Summary</b>	<a href="http://www.state.gov/documents/organization/61085.pdf">http://www.state.gov/documents/organization/61085.pdf</a>
U. S. Department of the Treasury: <b>Strategic plan and performance reports</b>	<a href="http://www.treasury.gov/about/budget-performance/strategic-plan/Pages/index.aspx">http://www.treasury.gov/about/budget-performance/strategic-plan/Pages/index.aspx</a>

U.S. Department of Agriculture <b>Strategic Plan</b>	<a href="http://www.ocfo.usda.gov/sp2010/sp2010.pdf">http://www.ocfo.usda.gov/sp2010/sp2010.pdf</a>
U.S. Department of Commerce <b>Strategic Sustainability Performance Plan</b>	<a href="http://www.osec.doc.gov/oas/Documents/OSEEP/Annual%20Rpts%20&amp;%20Scrcards/DOC%202012%20SSPP%20Public%20Release%20FINAL%202-4-2013.pdf">http://www.osec.doc.gov/oas/Documents/OSEEP/Annual%20Rpts%20&amp;%20Scrcards/DOC%202012%20SSPP%20Public%20Release%20FINAL%202-4-2013.pdf</a>
U.S. Department of Energy <b>Performance Report</b>	<a href="http://energy.gov/cfo/reports/annual-performance-reports">http://energy.gov/cfo/reports/annual-performance-reports</a>
U.S. Department of the Interior <b>Strategic Plan 2011-2016</b>	<a href="http://www.doi.gov/pmb/ppp/upload/DOI_StrategicPlan_fy2011_2016.pdf">http://www.doi.gov/pmb/ppp/upload/DOI_StrategicPlan_fy2011_2016.pdf</a>
U.S. Secret Service <b>Strategic Plan</b>	<a href="http://www.secretservice.gov/usss_strategic_plan_2008_2013.pdf">http://www.secretservice.gov/usss_strategic_plan_2008_2013.pdf</a>
White House Office of Management and Budget: <b>High level of performance goals for federal agencies</b>	<a href="http://www.whitehouse.gov/sites/default/files/omb/budget/fy2011/assets/management.pdf">http://www.whitehouse.gov/sites/default/files/omb/budget/fy2011/assets/management.pdf</a>
White House Office of Management and Budget <b>Database of performance reports for all federal agencies</b>	<a href="http://www.whitehouse.gov/omb/budget_fy2004_pma/">http://www.whitehouse.gov/omb/budget_fy2004_pma/</a>
White House Office of Management and Budget <b>Guidelines on PM strategic plans and performance reports</b>	<a href="http://www.whitehouse.gov/sites/default/files/omb/performance/omb-circular-a11-part-6.pdf">http://www.whitehouse.gov/sites/default/files/omb/performance/omb-circular-a11-part-6.pdf</a>
<b>PM Research, Articles, Papers and Reports</b>	
Association of Government Accountants <b>Survey of State and Local Governments' Use of Performance Measures</b>	<a href="http://www.agacgfm.org/AGA/Documents/Research/CPAGNo23-1-.pdf">http://www.agacgfm.org/AGA/Documents/Research/CPAGNo23-1-.pdf</a>
Center for American Progress <b>Governing by the Numbers Presentation</b>	<a href="http://www.americanprogress.org/issues/2007/04/pdf/data_driven_policy_report.pdf">http://www.americanprogress.org/issues/2007/04/pdf/data_driven_policy_report.pdf</a>
Community Toolbox <b>Developing Effective Mission and Vision Statements</b>	<a href="http://ctb.ku.edu/en/tablecontents/sub_section_main_1086.aspx">http://ctb.ku.edu/en/tablecontents/sub_section_main_1086.aspx</a>
Fairfax County VA <b>Manual for PM Data Collection</b>	<a href="http://www.fairfaxcounty.gov/dmb/performance_measurement/data_collection_manual.pdf">http://www.fairfaxcounty.gov/dmb/performance_measurement/data_collection_manual.pdf</a>

George Mason University <b>Performance Budgeting Whitepaper</b>	<a href="http://www.foreffectivegov.org/files/budget/Posner-Performance_Budgeting.pdf">http://www.foreffectivegov.org/files/budget/Posner-Performance_Budgeting.pdf</a>
Georgia State University Department of Public Management and Policy <b>Strategic Performance Planning White Paper</b>	<a href="http://digitalarchive.gsu.edu/cgi/viewcontent.cgi?article=1037&amp;context=pmap_diss">http://digitalarchive.gsu.edu/cgi/viewcontent.cgi?article=1037&amp;context=pmap_diss</a>
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International City/County Management Association <b>Performance Management Research</b>	<a href="http://icma.org/en/icma/priorities/performance_management">http://icma.org/en/icma/priorities/performance_management</a>
Municipal Research and Services Center of Washington	<a href="http://www.mrsc.org/subjects/management/performancemeasurement.aspx">http://www.mrsc.org/subjects/management/performancemeasurement.aspx</a>
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National Academy for Public Administration <b>Performance Management Report</b>	<a href="http://www.napawash.org/wp-content/uploads/2011/10/Dubnick-and-Frederickson-2011.pdf">http://www.napawash.org/wp-content/uploads/2011/10/Dubnick-and-Frederickson-2011.pdf</a>
National Association of State Budget Officers <b>A Performance Management Framework for State and Local Government</b>	<a href="http://www.nasbo.org/publications-data/reports/performance-management-framework-state-and-local-government-measurement-an">http://www.nasbo.org/publications-data/reports/performance-management-framework-state-and-local-government-measurement-an</a>
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National Performance Management Advisory Commission <b>Auditor Roles in Government Performance Management issue paper</b>	<a href="http://www.gfoa.org/downloads/PMCommissionIssuePaper8.pdf">http://www.gfoa.org/downloads/PMCommissionIssuePaper8.pdf</a>
National Quality Center <b>Collecting Performance Data Tutorial</b>	<a href="http://nationalqualitycenter.org/index.cfm/6127/15395">http://nationalqualitycenter.org/index.cfm/6127/15395</a>
National State Auditors Association <b>Best Practices in Performance Measurement: Developing Performance Measures</b>	<a href="http://www.health.state.mn.us/divs/eh/local/knownproj/docs/nsaa_dev_pm.pdf">http://www.health.state.mn.us/divs/eh/local/knownproj/docs/nsaa_dev_pm.pdf</a>
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